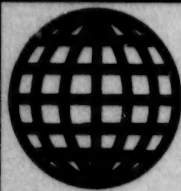


JPRS-EER-90-096
2 JULY 1990



**FOREIGN
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JPRS Report

East Europe

East Europe

JPRS-EER-90-096

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HUNGARY

Ex-Secret Agent, Kidnapper, Fraud Shrouded in Mystery

National Security Office Denies Relationship

25000737C Budapest NEPSZABADSAG in Hungarian
14 May 90 p 3

[Interview with National Security Office chief Lajos Nagy by Peter Vajda; place and date not given: "Csaszar Was a Secret Agent, but... Lajos Nagy Initiated Investigation of Charges Made by Former Counterintelligence Agent"]

[Text] [Vajda] West German citizen Vilmos Csaszar has been introduced by the television program UJ REFLEKTOR and on the pages of the magazine REFORM. Csaszar states that previously he was commissioned by the Hungarian state security organs to act as a secret agent in foreign trade and in the textile industry. He made mention of some alleged grave violations and cases of corruption. What can you, as the head of the National Security Office, say about this?

[Nagy] In his interview given to the UJ REFLEKTOR and to REFORM Csaszar said that Hungarian salesmen defrauded the country of \$320 million. He also stated that although in those days he reported all this to the state security organs of the Ministry of the Interior, they did not initiate any legal inquiry in regard to these salesmen. In response to these statements I ordered an investigation of the documents that could be found, and ordered that those documents be secured. The investigation is complete, and we are prepared to present the results of the investigation, as well as the original documents to a parliamentary investigative committee having jurisdiction, at any time. The National Security Office regrets that no background information was obtained prior to publishing these reports. In this way several statements of Csaszar which do not reflect the truth could be presented as facts to the public. Based on contemporary documents we see that the Interior Ministry's counterintelligence group was in touch with Csaszar in 1979. This organ severed its relationship with Csaszar gradually because of his negative personal qualities.

[Vajda] Could we find out what this report contains? What were those negative attributes of Csaszar you just mentioned, and how much of what Csaszar told the press is true?

[Nagy] The press will by all means receive answers to some of the questions; after all, the public has a right to expect an answer from the state organ having jurisdiction in a case which involves such statements. I will request your understanding, however. First we must inform the legislative or governmental committee I just mentioned of this material. That is why I cannot respond to substantive questions here and now, regardless of how much I would like to do so.

[Vajda] In his statement Csaszar names several former Interior Ministry state security officers who kept in touch with him. Based on our own, in-house investigation, several names can be identified [with actual state security officials], aside from inaccurate spellings. Could we receive an answer to this question, Colonel: Are these persons working in the office you are heading today?

[Nagy] I have established this fact: Not one of the leaders or subordinates who dealt with Csaszar's case or person were transferred to become part of the National Security Office staff, as that was established on 1 March 1990. A large majority of these persons retired earlier, or have left the Interior Ministry.

[Vajda] In one of his interviews given at the editorial offices of REFORM Csaszar said: "They are persecuting me, but I made it, two Lada [cars] are circling around me, I already know their drivers' faces." Could this be true?

[Nagy] I can state in the firmest possible terms that our office has never, nowhere, acted or planned to act to exercise control or to pressure Csaszar.

Csaszar Requests Interview

25000737C Budapest NEPSZABADSAG in Hungarian
15 May 90 pp 1, 3

[Interview with Vilmos Csaszar by Peter Vajda in Budapest on 14 May: "'Religion Teachers Are Not Hired To Perform Such Tasks'—Interview With a Former Counterintelligence Agent"—first paragraph is NEPSZABADSAG introduction]

[Text] A journalist need not always go after the subject of his report. On occasion the opposite occurs. After publishing in our Monday [14 May] issue an interview with Colonel Lajos Nagy, chairman of the National Security Office, about Vilmos Csaszar, who previously served as part of Hungarian counterintelligence and who in his reports on television and in REFORM recounted the alleged large-scale abuses perpetrated by Hungarian foreign traders, a guest arrived [at our editorial offices] on Monday noon. The guest was Vilmos Csaszar: He asked that, consistent with requirements for providing proper information, we also publish his comments.

[Vajda] Mr. Csaszar, why did you come to see us, and what do you intend to add to the statement made by Colonel Nagy?

[Csaszar] I read the colonel's statement with extraordinary interest, even though I find it somewhat vague. As far as the cars that follow me are concerned, I never said that the men of the National Security Office are after me.

[Vajda] Well then, who is following you?

[Csaszar] Enough people have a reason to be concerned about my revelations. Incidentally, they also followed the two editors of REFORM, Julia Lajos and Peter Vincze. I do not know why the colonel did not make

reference to this fact; could it be that his office is providing protection for these two journalists? Further: The Alien Control Division prevented my entry [into Hungary] from December 1989 until the middle of March. They could not have done so without the involvement of the former Interior Ministry or the present National Security Office. Even on Easter Monday, even though prior to that day I was able to enter the country three times, they made another attempt to prevent my entry....

[Vajda] Do you have any other grievances, Mr. Csaszar?

[Csaszar] Yes, I am aggrieved by Mr. Nagy's statement that counterintelligence severed its relations with me because of negative personal attributes. I was an "outside" associate of the Organ for almost two years before they swore me in in February 1979, in writing. They even knew the way I eat paprikash potatoes.... The relationship ended when they poisoned me in June of 1982.

[Vajda] How did they poison you, Mr. Csaszar?

[Csaszar] Counterintelligence agents invoked the name of Major General Redei when they summoned me to an apartment in Buda [No. 163 Szepevolgyi Street—per photo]. They knew I had a key to that apartment. That is the place where I used to meet with my girlfriend.

[Vajda] And how do you know that the counterintelligence people called you to this rendezvous place?

[Csaszar] Because they knew the secret password: "I am Pali from the TV."

[Vajda] And what took place in this Buda apartment, Mr. Csaszar?

[Csaszar] Redei did not show up, but three other men came. We drank half a bottle of vodka, then one of them held a revolver to my temple and demanded that I write a farewell letter to whoever I want to. This is how they wanted to have my death appear as suicide. I wrote [the farewell letter] to Interior Minister Istvan Horvath. Thereafter we drank some more, the men left, and I found myself in the delirious condition of having been poisoned. That is how I left the house; in a trance I drove the car to Csepel. At first the police there thought that I was drunk, then I got to the Koranyi hospital and later to the closed ward of the Lipotmezo [mental] hospital. They were unable to determine what the poison was; this also shows that it was a professional job.

[Vajda] How long were you there?

[Csaszar] For several weeks, I believe. That is where police Lieutenant Mihaly Kis from the Csepel police headquarters paid a visit. He brought along the farewell letter he found in my car and asked what he should do with it. I told him to forward it to the minister.

[Vajda] Why did you say that?

[Csaszar] Because if I began to make accusations I would be a dead man today. It is my intention, however, to file a complaint with the new chief prosecutor's office against [former] Interior Minister Horvath, Major General Redei, former Lieutenant Colonel Tibor Farkas, and Daniel Nadj, a Munich textile merchant who is of Yugoslavian origin and is a West German citizen.

[Vajda] And on what grounds?

[Csaszar] Because Horvath was the interior minister, counterintelligence was under the jurisdiction of Major General Redei, and Tibor Farkas was chief of liaisons, accordingly they are responsible for taking me to the place where they wanted to kill me, except for the fact that they did not succeed.

[Vajda] And the textile merchant?

[Csaszar] I knew one of the three persons in that house from before. I knew him as a "textile merchant from Ujvidek [Novi Sad, Yugoslavia]." I've seen him at Hungarocoop several times together with Daniel Nadj. Indeed, now I know that he is not a textile merchant from Ujvidek, but an official of Yugoslavian counterintelligence from that place.

[Vajda] Is this how Daniel Nadj gets into your complaint?

[Csaszar] Yes. Daniel Nadj was also interested in getting rid of me, because I was aware of his corrupt affairs, and I represented a threat to him. Hungarian counterintelligence also wanted to get rid of me, therefore they jointly organized this as an unofficial action.

[Vajda] I see. Now, Mr. Csaszar, obviously, the investigation will shed light on all of this....

[Csaszar] Most certainly, the investigative data will be incomplete, because I dictated my reports for Lieutenant Colonels Arpad Papp and Tibor Farkas on a tape recorder, and then the reports were returned to me in writing, but by then they were incomplete. For this reason I secretly prepared duplicate [tapes] which I [still] have.

[Vajda] What are your goals at present?

[Csaszar] As a devout anticommunist, the son of a Csepel small tradesman, I agreed to do all this because I accepted my country together with its flaws. That is why I agreed to work for the Organ. I guess that now they will say that my private life was not exemplary, I was indeed licentious and liked whores. But they do not hire religion teachers to perform such tasks. In this relation my respectful message to the Colonel is this: It would be preferable for him to regard his official duty, the protection of the security of the Hungarian Republic and of the interests of the Hungarian people, as more important than to launder the soiled uniform clean. My sole purpose in going public is to have an appropriate legal investigation: to hold responsible the culprits, and to get

back as much as possible of the corruption money from the Swiss, Austrian, and Bahamian banks.

[Vajda] Mr. Csaszar, we thank you for the conversation you asked for by noting: We trust that light will be shed upon some details that are mystical and gray today....

Listed as Terrorist on Prohibited Entry List

25000737C Budapest NEPSZABADSAG in Hungarian
15 May 90 p 3

[Text] After the interview with Csaszar we asked the spokesman for the National Security Office whether they were aware of the fact that two journalists of REFORM were followed. In his response he stated that the Office fulfills every justified request for personal protection, but in this case Julia Lajos and Peter Vincze did not complain, nor did they make such a request.

In regard to Csaszar's inability to enter Hungary, spokesman Tivadar Parvy had this to say:

"Mr. Csaszar's name was placed on the prohibited entry list by the then Interior Ministry counterintelligence group command after Csaszar held the head of the Hungarian trade delegation to Munich hostage in 1982. For this reason the records showed Csaszar as a terrorist. The National Security Office was not operating at the time the first request arrived asking that Csaszar's name be taken off that list. After the second request the head of the office took action to have his name taken off the list, and no contrary action has been taken since. As Lajos Nagy said in his statement: The committee having jurisdiction will be informed of the substantive aspects of this case, and the public will be informed thereafter."

Obtains U.S. Resident Alien Card With Ease

25000737C Budapest NEPSZABADSAG in Hungarian
23, 24 May 90

[Investigative report by Peter Vajda: "NEPSZABADSAG Investigation of the 'Foreign-Trade Gate Affair: Who Are You, Vilmos Csaszar?'"—first two paragraphs are NEPSZABADSAG introduction]

[23 May pp 1, 7]

[Text] REFORM magazine called the scandal with which it and Hungarian Television dealt with in parallel "Foreign-Trade Gate." The central person known to our readers is Vilmos Csaszar. We interviewed him. According to repeated statements made in articles and reports, Csaszar is accusing Hungarian foreign traders of having caused a loss amounting to \$320 million to Hungary. Further, he is accusing Hungarian counterintelligence (in which he served as an agent) of having "put to rest" information concerning machinations by foreign traders conveyed to them by Csaszar in the late 1970's and the very early 1980's, and that counterintelligence did so based on instructions received from the [Communist] Party. Presumably all the related documents are at two foreign banks and in the safe of a law office. His

noteworthy statements include allegations that they wanted to poison him during the summer of 1982 and that upon his return to Hungary in 1990 he was followed by cars for quite some time.

At our editorial offices we carefully reviewed reports that appeared in other newspapers as well as TV reports, and tried to supplement the investigation with our own inquiries. We talked to Csaszar himself, his divorced wife, and with the persons he accused. We asked questions of the head of the Counterintelligence Directorate of the National Security Office. Through his German contacts we had access to his letters in which he filed complaints, and his notes which he wrote for West German use. We also received the Interpol warrant from those days. Our readers will learn of our findings in today's and tomorrow's reports.

The first question to be answered is this: What kind of "Hungarian agent" was Csaszar, how did he get in touch with the Hungarian organs, and what kind of assignment did he perform for them?

Based on press reports, Colonel Dr. Laszlo Danko, head of the Counterintelligence Directorate of the National Security Office, gathered the files which are available from the "old" counterintelligence regarding this case. The picture that emerges is as follows: Csaszar, then a textile trade employee in the FRG, got in touch with Hungarian counterintelligence in not quite the way he made it appear in interviews. Counterintelligence did not seek him out in mid-1977, it was Csaszar who sought out the counterintelligence to file a complaint. He filed a complaint against a Western businessman (we are aware of his name, but do not intend to publish it in due regard to his privacy rights), stating that Csaszar could provide a document proving the Western businessman's relationship with a specific Western intelligence service.

The counterintelligence organ manifested moderate interest in Csaszar's appearance: Not until February 1979 was he enlisted. Thereafter, whenever Csaszar stayed in Hungary, he presented reports to the officers of the then counterintelligence service, which contained nothing but accusations and statements that could not be proven. The counterintelligence leadership having jurisdiction reacted in a logical fashion. In what amounts to record time in their practice they decided to sever all relations with Csaszar. As a reminder we will state that in those days Csaszar resided in the FRG, and travelled to Hungary as a textile merchant. In August 1979, i.e. half a year after he was recruited, border stations had instructions to signal Csaszar's entry into the country: Counterintelligence leaders wanted to tell him that all relationships had come to an end. He was excluded from the Hungarian counterintelligence network in November 1979: From that time on he could not have had any official relationship with anyone within the organization.

This fact is noteworthy because Csaszar talks about a relationship with the organization that lasted much

longer. In his interview he states that in 1982, when he was "poisoned" by counterintelligence agents in Budapest, he was lured to the secret rendezvous point by using the password agreed upon with this organization in advance. Incidentally, Hungarian counterintelligence did not use passwords in the course of maintaining relations.

The entire episode appears to be a product of imagination. Csaszar told NEPSZABADSAG that the poison was in the vodka, but in the accident that followed this event the police taking action did not find any alcohol in his blood, the fragment of the police report shown here [report not included] states that no alcohol was found in Csaszar's blood. The report mentions only poisoning caused by an overdose of medicine. (Csaszar does not mention the fact that at the Koranyi hospital he tried to hang himself on a sheet, and this is why they transferred him to the mental institution.)

In the interview he gave to REFORM Csaszar said that he escaped from Lipotmezo as part of a dirty laundry shipment, while in his statement written in the FRG ("The most important events, dates, agreements, promises, chronology of my activities within the Hungarian secret service") he states that he was simply released.... Thereafter, according to the REFORM interview, "I received a forged Yugoslavian passport thanks to my connections, and was able to cross the border." The statement written in the FRG concerning this event is different. Translated into the Hungarian: "I am requesting my German papers. I receive them without problems. I receive a free Budapest-Munich airplane ticket from the police. A man in civilian clothing accompanies me to the airport and I am able to depart without hindrance." Laundry shipment and false passport, or dismissal from Lipotmezo and honor guard to the airport? All of this is not entirely unessential from the standpoint of Csaszar's credibility. Just as it is not unessential that in his above-mentioned German language writing Csaszar had this to say: "February 1981. Letter to Janos Kadar, first secretary of the Hungarian Socialist Workers Party [MSZMP]. I am describing with 100-percent certainty that Hungarocoop (this is followed by a list of names) ... caused \$30 million worth of damage to the Hungarian state between 1973 and 1974.... My letter to comrade Kadar was dealt with by division head Ferenc Gal." We will return to the matter of why he wrote a letter to Kadar, as well as to Ferenc Gal. And further, let us not ponder the question of why a Csaszar who defines himself as a devout anticommunist writes the word "comrade" next to the name of Kadar; the writing was not prepared for use by a "comrade," after all. Something else is noteworthy: At this point the damage inflicted amounts to only \$30 million, not to \$320 million. This is so, even though in subsequent times he could not have had contacts which would have allowed him to obtain new information.

According to Csaszar, the relationship he maintained with the Hungarian secret service was so long that the men of this organ visited him as late as in 1983 in the

United States. "I was expecting them already. The only thing I did not count on was that they would pay this much money to keep me quiet. Added up, the final amount in America was about \$150,000. I received it in the form of business activities on credit, merchandise delivery." \$150,000 is no small amount of money. According to an already retired member of the Hungarian intelligence service, the service never had available even a fraction of such an amount to finance its agents. And Csaszar was not their agent.

Here our story must take a detour to describe how Csaszar got to the United States. As is well known from stories about him, in Munich he kidnapped Hungarian commercial counsellor Dr. Csurgai. He was freed within a short period of time. The court sentenced Csaszar to three years in prison.

According to the sentence, Csaszar's criminal record served as an aggravating circumstance (one year in prison for fraud, suspended). The court regarded as an ameliorating circumstance the fact that Csaszar may not be viewed as entirely competent due to his distorted spirit (FRG Criminal Code of Laws, Paragraph 21.) The person who acted in Csaszar's case as an interpreter all along (we talked to him) claims that this description of Csaszar was appropriate: Apparently he was suffering from a persecution complex, which he tried to compensate for by trying to persecute those whom he felt persecuted him. Lies and truth merge in his mind, and after a while he himself is capable of believing that what he told as a lie is true.

He was furloughed from prison; he departed for the United States illegally. Accordingly, he did so without serving his full punishment, and that is why Interpol issued a warrant. We will revert to the kidnapping issue together with some additional issues in tomorrow's installment of this article. Even more so because a press report has appeared about which his long divorced wife is aggrieved. She feels that she was described as an accomplice in this terrorist act. The truth is that she learned about this act when on 22 December 1982 the bell rang at the apartment where she stayed with her small son. Three men in civilian clothing stood at the door.

[24 May p 7]

[Excerpt] [passage omitted] They were investigators dispatched upon receiving word about the kidnapping in Munich. The investigators learned about the kidnapper's request: to transfer to his wife in Budapest "the amount due to him from the Interior Ministry" and that they put her on a plane to Germany. It did not take much effort for Radka to convince investigators that she had nothing to do with this case, she had a railroad ticket purchased at IBUSZ in her pocket for herself and her child, with an FRG location as the destination. For all practical purposes, by then her marriage to Csaszar was upset. This matter was clarified in the course of a few hours. She left for the FRG, her son stayed home and did not leave the

apartment for many days: The child had sensitive nerves and his father's act came as a great shock. And Radka becomes outraged when writings about the kidnapping and about the role slated for her by Csaszar are written up without saying that she did not know about it, that she did not want this to happen, and that she does not know anything about it. "How should I look into the people's eyes at Csepel where everyone knows everybody and where my family lives?"

That day, 22 December was memorable not only for her, but also for Dezso Nemeth. The intermittent brief signals given by the telephone on the desk of MSZMP [Hungarian Socialist Workers Party] Central Committee [CC] administrative office worker Nemeth indicated that the call came from the city. The voice on the other end of the line sounded familiar, Nemeth says. "At this moment I am standing here next to the chief of the Munich foreign trade delegation. I took him hostage by using a weapon," Csaszar told him, and then enumerated his financial demands. Then Csurgai took the receiver and confirmed what Csaszar said, then once again it was the kidnapper's turn. Nemeth tried to prolong the conversation and persuade Csaszar to surrender his plans. Before the call was interrupted, Csaszar's response was "I have committed myself already, it makes no difference to me anyway." (A few hours later when ranking CC Secretary Ferenc Havasi was informed of the case, a witness recorded the fact that one could not tell who looked more pale, Nemeth or Havasi, and also recalled the CC secretary's words. "Actually what does one do in such a case?" But by then they had learned that the German police had freed Csurgai, and the question remained a rhetorical one.

At this point one should discuss from where Nemeth knew Csaszar. Csaszar called him at his workplace in the spring of 1982, and asked for a meeting as an old "buddy" from Csepel. In reality, Nemeth did not at that time, nor does he now, recall Csaszar as a childhood acquaintance, nevertheless he agreed to the meeting and introduced Csaszar to his boss, Ferenc Gal. (Gal never served as head of the administrative division, as was stated in an article about him. In the same article, Gal's name is casually linked to the "corruption case." Today, the retired Gal has a three-year-old Dacia car, a rented service apartment in a panel building, and knows nothing about the corruption case.) Gal says that he was faced with the dilemma of what to do in regard to two requests advanced by Csaszar. The first request was that his name be taken off the list which made his entry into and stay in Hungary more difficult. He helped him in this regard. Csaszar's other request was that he be brought together once again with those counterintelligence agents with whom his relationship was severed. For two reasons: to be able to put his hands on money owed to him, and to provide more information about corrupt foreign traders. Gal did not succeed in achieving even as little as Csaszar being able to talk to the counterintelligence people. In the end the investigation was

conducted by the Interior Ministry's investigation division. As deputy administrative division head, Gal himself played no active role in this regard whatsoever; he could not have played a role in this, irrespective of what Csaszar says. The result of the investigation: nothing! No one owes anything to Csaszar, and his charges cannot be proven.

Gal states yet another matter firmly: It is not true that Csaszar turned to Kadar in February 1981, or at any other time.

One matter remained a constant theme of our discussions, and some believe that this could be the key to the understanding of the Csaszar phenomenon: money. He borrowed a significant amount of money, 11,000 German marks from Daniel Nadj, with whom he had business relations. The note is also signed by Csaszar's wife. There is only one little flaw: The then Mrs. Csaszar saw this note for the first time when Nadj demanded his money from her. Not only brains, but money also bring trouble. The debt owed to Nadj serves the basis for two witness testimonies before us. One was written in Budapest, December 1981. In this testimony Mrs. Dr. Gyorgy Siklosy says that Csaszar threatened Nadj with filing a complaint at both the Hungarian and German authorities for not giving him work, and because he demanded payment of the debt. The other one is a sworn testimony given by Alfred Susedsky in the FRG. "I have known Mr. Csaszar for a few years. He made his statements at my home. In these he assured me that he would finish up with Mr. Nadj. He filed a complaint at both the Hungarian and the West German financial authorities for concealing taxable income." Indeed, Mr. Nadj was called to account relative to the tax case. As we learned from him, on the day of the hearing Csaszar announced that he had thrown the incriminating documents into the River Saar. (Mr. Nadj also said that Csaszar received from him a onetime loan because Csaszar made Nadj's head bleed when he hit it against the wall, and Nadj preferred to give money to Csaszar so that he would leave.)

A further document: A Budapest police officer from the 20th District received a call from a personal acquaintance (we have his name) who left for the United States. The call came from Vienna. He filed a complaint against Csaszar. According to the complaint Csaszar agreed to take a large sum of money out of Hungary for this person. The person preparing to escape paid in several installments 580,000 forints, 1,000 Swedish crowns, 500 Deutsche marks, and \$500 with the instruction that these funds were to be taken abroad and deposited at a Vienna bank in a coded account ("Rajmund UF 1269.") Since this person did not find the money in Vienna, he paid a visit to Csaszar who at that time was staying in Vienna. Seeing him, Csaszar ran to the stairway and awakened the [residents of the] house: "Help, gangsters!" The Vienna police arrived, Csaszar did not pay, and the Hungarian police officer is unaware of the continuation of the case....

This is where we stood in drawing the portrait of the main actor of "Foreign-Trade Gate," when the telephone rang and Csaszar announced himself. Having read the first [part of the] article he expressed a desire to respond to some of the statements right away, and agreed to answer any questions. Our conversation ended on Wednesday afternoon, and the reader will now receive a condensed version of Csaszar's most essential statements and answers to certain of our questions, rather than a dialogue, due to lack of space and time.

—Mr. Csaszar acknowledged the fact that at various times certain episodes in his life appear in different forms. According to REFORM, he left in 1982 with a forged Yugoslavian passport; in his summary written in jail for the FRG secret service (from which we quoted yesterday) he states that he left for the airport with a police honor guard, and from there to abroad. According to Mr. Csaszar the latter version is true, REFORM was in error.

—He acknowledges the fact that on one occasion he talked about escaping from the mental institution, and about release at another time. He now says that a female physician helped him escape in her FIAT-500.

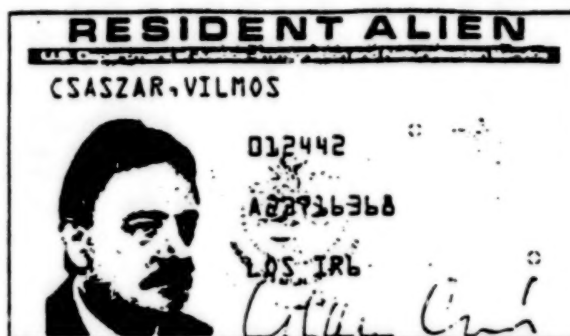
—He acknowledges the fact that he forged his then wife's name on the note, because his wife did not know about the secret service actions for which the money was needed.

—He emphatically states that the Hungarian secret service was seeking contact with him and not the reverse; at the same time, however, he does not deny that he characterized someone to Hungarian counterintelligence as a possible spy, in his first report. He maintains that he had official relations with Hungarian counterintelligence even after the time when he was excluded from that network, according to authentic sources. He intends to prove this with business documents which mention Hungarian business contacts to which the path lead through counterintelligence, so he says.

—He corrects our statement in yesterday's issue which we made based on the REFORM article. According to this statement, after he departed to the United States, i.e. in 1987 (this is the correct date), the "Hungarian liaisons" who appeared at his place, and through whom he profited to the tune of \$150,000 were members of the Hungarian secret service. In this context the secret service could have played only a middleman role; according to Csaszar the persons guilty of corruption tried to silence him, they put together this amount.

—He acknowledges that he took away the money of "Rajmund UF 1269," but, as he says, he handed the money over to Hungarian counterintelligence because the amount had been embezzled.

—Csaszar complains that we printed the statement of the person who interpreted in the course of his trial



concerning his nervous condition. According to his statement the judge excluded this person from the hearing because he was biased.

Finally, two statements which compared to the above greatly deserve attention:

1. Csaszar names a member of the 1987 Hungarian political leadership. He says that it was with reference to this person that questions were asked from him while he was in the United States regarding corruption, and then he was asked to travel to Zagreb, which he did. There he talked with a certain Magda and Laszlo. We also located the former political leader. He did not cast doubt on the fact that he had heard of Csaszar in those days already; otherwise, however, his response was "No comment."

2. Csaszar flatly states that the West German secret service enabled him to escape from prison in 1984, as well as that he settled in the United States. According to this statement the West German prosecutor's office initiated tax investigations against firms whose people were also engaged in secret service activities. Two prosecutors wanted to use him as the lead witness in the case. This was contrary to intelligence service interests, therefore they organized his escape from prison. They did not issue a warrant for his capture. Following his escape he spent about 10 days in a Zurich luxury hotel with his secret service companion; a detour followed thereafter, and then the flight to New York, with his companion. He received a visa on the spot, as well as a green card [resident alien certificate] without problem. This was needed to enable him to accept employment and to settle. [There were no problems in receiving the green card] despite his past, just as the German secret service promised would happen. Csaszar: "The German authorities knowingly provided false information to the Los Angeles immigration office where I received this. In this way I am a German citizen with an impeccable background." This secret service commitment, however—if there indeed was one—was by no means valid in 1988, when he was arrested at the Amsterdam airport and returned to prison.

What can we add to the above? We too could say "No comment." We could say that we agree with Csaszar: "I

am not a Maltese Knight." Most likely the Maltese Knights would not object to this statement either. In other words, the fact is that Vilmos Csaszar has cheated, kidnapped a human being, forged a signature, all of which had an influence on his credibility. Aside from that, however, he may have real documents about actual cases of corruption. But are there such documents? He is correct in regard to one matter: The time has come not to talk about Csaszar, but about the things he has in his hands, and in his safe.

[Box, p. 7]

Vilmos Csaszar: Born in Csepel, 24 January 1942. After graduating from high school he attended law school. He unsuccessfully tried to escape in 1962. He was directing cameras at the television. In 1970 he left for the FRG. In 1982 he was arrested for three weeks in Austria for spying, thereafter he was banned from that country until the year 2022. On 22 December 1982 he kidnapped and held hostage for a few hours the head of the Hungarian trade delegation in Munich. For this he was sentenced to three years in prison. On 20 September 1984 he used the furlough received at prison to travel to the United States. A Hungarian liaison met with him even there, according to his statement. In 1987 he met with Hungarian agents who have high level authority to question him about cases of corruption, so he says. In 1988 he was arrested at Amsterdam airport based on an Interpol warrant. After completing a further prison term he was released in October 1989. He has been in Hungary since the spring of 1990.

Labor Minister on Wage Policies, Office

25000736E Budapest MAI NAP in Hungarian
18 May 90 p 5

[Interview with Labor Affairs Minister designate Dr. Sandor Gyorivanyi by (kurucz); place and date not given: "Smallholders Accepted a Ministry Laden With Risks"—first paragraph is MAI NAP introduction]

[Text] Dr. Sandor Gyorivanyi was nominated to head the newly reconstituted Ministry of Labor Affairs. He is 63 years old. He obtained his doctorate in the field of industry and technology. For years he taught his specialty. Since last year he has served as the Independent Smallholders Party [FKgP] secretary for cultural affairs.

[Gyorivanyi] This high office was elevated to a much higher level by turning it into a ministry. I lived through a period in the ministry when they regarded it as superfluous and changed its status back into an office. This caused concern for many in those days. The present decision may provide cause for optimism to many. One should ponder the fact, however, that this ministry is always established when the country experiences great trouble.

[kurucz] What will happen to the officials at the State Wage and Labor Affairs Office?

[Gyorivanyi] A certain fear about the future evolves in the course of every reorganization. Based on several years of experience I can say that reorganizations are not accompanied by such serious changes. Quite obviously, some functions will be changed or will cease to exist. We try to resolve possible problems in a humane manner.

[kurucz] You will have a difficult job. Many believe that your party made a tactical mistake in accepting this ministry laden with risks.

[Gyorivanyi] I am convinced that Jozsef Antall chose me because I have worked in labor affairs for 35 years. My professional experience saves me from fear. During the past years I was able to prepare myself for the challenge of the new era: I dealt with the labor affairs problems of privatization. I tried to prepare for the requirements of a market economy which are different from what we had had thus far. The grocer in a small store, the employee of a large department store, small trade apprentices, and large industry workers all must be taught in different ways. At present our largest task is the composite training of physical workers. Thereafter they cannot be faced with critical situations when workplaces cease to exist.

[kurucz] Would you recommend wage increases?

[Gyorivanyi] My main principle is this: If a person performs work at Western standards, he should deserve to receive wages by Western standards. We must not forget this whenever renewed wage demands occur.

Minister Designates Discuss Their Outlook, Plans

25000739A Budapest NEPSZABADSAG in Hungarian
22 May 90 p 5

[Summary of nomination hearings for minister designates by parliamentary committees, based on MTI [Hungarian Telegraph Agency] reports]

[Excerpts] [passage omitted]

Geza Jeszenszky, Foreign Minister Designate for Foreign Affairs Committee

A balancing role between the great powers, for which there has been more than one example in Hungary's history, appears to be appropriate at present. Among the foreign policy priorities he mentioned that the country must be steered back toward Europe. At the same time, our unavoidable break from the Soviet Union must be accomplished with the far-reaching observance of our national security interests. In stressing the importance of relations with neighboring countries he mentioned the Polish, Czechs, Croatians, Slovenians, and Bulgarians [as people] with whom friendly relations may be established in the near future. He envisioned the possibility of establishing proper relations with the Slovaks, Serbians, and Romanians. Jeszenszky stated that our leaving the Warsaw Pact, and the discontinuation of the Warsaw

Pact, is the condition for the collective European security system, while he felt that a zone free of nuclear armaments extending from the Baltics to the Balkans is more important in a given situation than neutrality. [passage omitted]

Ferenc Madl, Minister Without Portfolio Designate for Foreign Affairs Committee

Despite the authorship of more than ten books and countless publications in Hungary and abroad, law professor Ferenc Madl, minister without portfolio designate, appeared before the representatives as a lesser known personality. It is not hard to assume that the experience of this minister without portfolio in his field of expertise, knowledge of the legal aspects of the organizations of European integration, will be needed in the course of linking Hungary to the organizations of Western integration. [passage omitted]

Lajos Fur, Defense Minister Designate for Defense Committee

From the three-hour question and answer session it is worthwhile to point out the way Lajos Fur views Hungary's membership in the Warsaw Pact. In his view, our ultimate goal is the establishment of international sovereignty, but at the moment we are unable to make a unilateral decision concerning our departure from the Warsaw Pact. The problem must be resolved by negotiations. [passage omitted]

Ferenc Rabar, Finance Minister on Committee on the Budget, Taxation, and Finance

In his introductory remarks Finance Minister Designate Ferenc Rabar said that the Finance Ministry will take over the functions of the old Planning Office and the Pricing Office. This may discontinue institutional fragmentation and the evolution of a real executive organ for economic policy. Harnessing inflation is the short-term precondition for healthy economic functioning. This is very difficult because all [measures] that stimulate the economy create new inflation, i.e. only a very narrow path is available to the economic leadership. The fact that economic policy should not be subordinated to budgetary needs is also important.

Responding to a question asked by Representative Klara Ungar [Association of Young Democrats—FIDESZ], the minister designate said that from among the various materials prepared by experts he intends to rely primarily on the program developed by the Bridge Group. He went on to reassure those present that they have not prepared a new budget, they are only trying to be responsive to the agreement with the International Monetary Fund.

Following remarks made by Ivan Petho (Alliance of Free Democrats—SZDSZ) we learned that within two or three weeks the new financial leadership will have reviewed the entire budget. They are trying to untangle the intertwining of monetary and fiscal policies by

placing monetary policy under central bank jurisdiction. Committee Chairman Karoly Attila Soos expressed concern about the fact that henceforth relations with the IMF will be under the jurisdiction of another economic ministry. Rabar replied by saying that he cannot perceive another ministry dealing with this issue.

In conclusion it was said that the finance minister designate will select his associates based primarily on their professional qualities and human attributes, which also includes instinctive factors. Moreover, it is conceivable that he will have a state secretary from the Socialist Party.

Ferenc Jozsef Nagy, Minister of Agriculture, and Jeno Gerbovits, Minister Without Portfolio on Committee on the Economy

[passage omitted] In his response the minister designate strongly objected to the fact that [representatives on the committee] made a mockery out of the deprivation of rights suffered by several hundreds of thousands of people by questioning the feasibility of [the government's agricultural] program. Nagy did not say much about the technical details of implementation, on the other hand he regarded land claims established by those who presently work in cooperatives as just, saying that they should be given the land if they claim it. Gerbovits, the minister without portfolio designate—also from the Smallholders Party—did not agree with the latter statement. He felt that the fact that a person has worked in a cooperative for a year or two did not establish a legal right to become an owner. Also in other respects Gerbovits was against the idea that anyone who was not an owner [before] should receive land free of charge.

In his other remarks Gerbovits was very unequivocal concerning the fact that only [the institution of] land ownership must be restored. "Private property is one and indivisible, and citizens are entitled to their former property the same way as peasants," he said. [passage omitted]

Transportation Minister Csaba Siklos Interviewed

25000737A Budapest NEPSZABADSAG in Hungarian
28 May 90 p 7

[Interview with Minister of Transportation Csaba Siklos by Gyula Fejer; place and date not given: "Step-By-Step Toward the Market"—first paragraph is NEPSZABADSAG introduction]

[Text] Csaba Siklos is 49 years old. He is a traffic engineer. He was born in Budapest, and his father worked for the railroad. Following his years at the university, at first he worked for the Hungarian State Railroad, then for the German railroad and the Gyor-Sopron-Ebenfurt Railway [GYSEV]. Beginning in 1973 he was assigned to the Budapest headquarters of the enterprise as a division director.

[Fejer] You started out as a track worker, and now you are minister of transportation and communications. All your activities thus far have linked you to the railroad. Has this ministry once again acquired a minister who is involved with the railroad?

[Siklos] Yes, there is no denying that. Obviously, a person who is involved with something for a long period of time will do so not only for the money. He may even like what he is doing. Naturally, the railroad is closest to my heart. At GYSEV it was my job to direct the enterprise's technical development and investments both in Austria and in Hungary. But even at this small company it was not possible to deal exclusively with the railroad. The conditions for productive operations had to be established while observing all the activities of the enterprise. Actually, the same applies to a larger entity, to the country as a whole. A long time ago this ministry was involved in two areas: the railroad and the postal service. The predecessors were in a more comfortable situation than the successors, because the successors must pay attention to a much broader area.

[Fejer] Indeed, and in addition, attention must be paid to fields all of which are investment intensive, whether they have to do with flying, sailing, the railroad, public road transportation, or perhaps telecommunications. From where will we suddenly receive money to improve our miserable situation?

[Siklos] I am unable to provide assurances in this regard, for the time being. In any event, however, I would like to point out that frequently money is not the issue. We would already be one step ahead if it were possible to prevent waste and the improper taking advantage of opportunities. I should mention here that there appears to be a significant willingness to help on the part of West Europe and America to develop transportation and communications. They are aware of the immeasurable significance of this field in boosting the economy, improving the general feeling of the people, and developing foreign tourism.

[Fejer] Transportation is increasingly based on commercial considerations. But mass transportation enterprises have difficulty conveying commercial endeavors in the prices they charge, because they are receiving less and less state support, their situation is gradually deteriorating. What is the solution?

[Siklos] That is a very difficult issue. They endeavor to provide subsidies to mass transportation in every country. I know Austria best as a result of my work. If for no other reason, to relieve somewhat the overcrowding of the road network. In my view we cannot do anything else either. But our price system deviates from real market conditions in so many areas and to such an extent that changing the price system overnight could not be accomplished without great disturbances. In other words: We must proceed in changing prices step by step in the direction of market conditions.

[Fejer] It is publicly known that as far as the telephone service is concerned we rank at the bottom among European countries. The program for the quantitative and qualitative development of the telephone network by the millennium was established by the outgoing government. In your view, can the promise of 2 million telephones within a few years be fulfilled in Hungary?

[Siklos] I am trying to obtain information as fast as possible in regard to fields with which I have not dealt up close in the past. Telecommunications is one such field, and it is of outstanding significance. I have more or less familiarized myself with the 10-year program for the development of this field. I regard the plan as a thorough, realistic piece of work, even though it will certainly require more detail and corrections. At present a new situation has presented itself, with new people, who view things differently perhaps, but I emphasize: The program is acceptable, and as far as I know at present, it can be implemented. I am convinced that by the millennium we will be witnesses and beneficiaries of a sudden qualitative and quantitative improvement in Hungarian telecommunications.

[Fejer] Do you have a team already; will there be personnel changes?

[Siklos] Of course there will be changes. Two criteria count in selecting leaders: professional suitability, and acceptance by subordinates.

[Fejer] Would you perhaps be holding enterprise referendums?

[Siklos] Well, I wouldn't say that. But all of us have pages filled with words, figuratively speaking. Whoever has had anything to do with people at the workplace does not start with a clean slate.

Interior Minister on Police, Local Government Philosophy

*90CH0187A Budapest NEPSZABADSAG in Hungarian
6 Jun 90 p 4*

[Interview with Interior Minister Dr. Balazs Horvath by Gy Attila Fekete; place and date not given: "The Minister of the Interior: Money, Horses, Weapons for Everyone"—first paragraph is NEPSZABADSAG introduction]

[Text] The new interior minister, Dr. Balazs Horvath, is a 48-year-old jurist. Previously he practiced law in the Veszprem No. 2 lawyers collective. He is chairman of the Hungarian Democratic Forum [MDF] county organization, is married to an actress, and has two daughters.

[Fekete] You are among those who were known by only a few just some weeks, months ago.

[Horvath] True, I have not been involved in politics except for the past two or three years; I never was a member of the Communist Youth Association [KISZ] or the Hungarian Socialist Workers Party [MSZMP] simply

because the bygone system was not for me. This, however, should not be understood to mean that I did not take part at all in public life. I believe that I am regarded in Veszprem as a well known lawyer. In addition I am a member of the National Council of Lawyers and chairman of the Nagyvaszony Horse Club.

[Fekete] How did you begin your active political involvement in the MDF?

[Horvath] I believe that my upbringing played a decisive role in this regard. I come from a religious family, I myself am a Roman Catholic. I liked the idea that the MDF was oriented toward Christian ideals from the beginning, and the Forum's nation concept was also convincing. I received a patriotic upbringing from my family, this in the most noble sense of the term. At the same time my mother, who held the family together after our father's death, was extremely careful about observing that I did not pursue nationalistic, or, God forbid, racist excesses. Along with all this I was impressed by the MDF's current policies, the one that became our slogan later on: "the calm force." Namely, I realized that this country could not bear another catastrophe like World War I, the Arrow Cross rule, the second World War, or the reprisals that took place after the 1956 Revolution.

[Fekete] You were elected to Parliament from an individual voting district. How will you represent your constituents now that you have become a minister?

[Horvath] I made it clear already at the beginning of my election campaign that I do not want to be the old type, lobbying representative of the district; i.e. that I do not regard resolution of sewage problems as my task. I agreed to work hard for a Hungary in which individuals, local communities, may at last take their fate in their own hands, and that they will receive money, horses, and arms to realize their goals. I explained in my individual program just how this will be accomplished. Citizens of the 6th voting district in Veszprem voted for me, aware of all this.

[Fekete] Relative to your appointment as minister many recalled the story of the robber turned into a pandour.

[Horvath] This is truly an honor, because according to the story, robbers make the best pandours, and I would like to be a good minister of my ministry and of the country.

[Fekete] According to experts you inherited a state administrative apparatus that is on the verge of falling apart, and a police that has been put down on the floor. What are you going to do with these?

[Horvath] As far as this kind of advice is concerned: The state apparatus and the police are far from having fallen apart to the extent that this is rumored. I am getting a feeling that there are certain people who want to disintegrate the apparatuses by making these claims. Doubtless, people are escaping. But in my view only those people, more accurately: primarily those people are escaping who have never regarded public service as their profession.

The situation is different with the police. I was sorry to find that the professionals are escaping from the police. I have in mind here the famous-infamous III/3 experts, the follower types, the technicians who installed the listening devices. I must say that I feel sorry for them, because they only executed orders, after all. And assignments like these will exist also in the future. Quite naturally, the difference will be that these devices will not be aimed at political opponents, but let's say surveillance will have to be maintained over smugglers and other criminals. At the same time, the operative officers, the ones who issued the orders and evaluated the information received, either disappeared without a trace, or took early retirement.

[Fekete] Retaining the professionals is primarily a money issue—presumably. Both the police and the council workers demand a 50-60 percent wage increase. Will you have enough strength to secure this kind of increase for them?

[Horvath] I do not know how much money I will be able to squeeze out of the budget. On the other hand, I know that wages must be increased in both of these areas, and I agree to fight for such wage increases.

[Fekete] Even if this creates adverse feelings on the part of society? Aware of the police success record, some people are already claiming at this point that "they do not deserve even their present wage."

[Horvath] Even then. Namely, one has to recognize that the past dictatorship did not pay enough even to its own support. It had all those things performed by the police, it expected a vocational commitment from them, all for free. But one must not forget that the Hungarian police was not the police of the party state as it appeared, or as outsiders thought. I dealt exclusively with criminal cases in my legal practice, and within that mostly with negligence cases. I did have an opportunity to familiarize myself with the professional police. They understand their business, and they were most outraged whenever political considerations were forced upon them. It is yet another matter what they would be capable of doing, considering their given technical equipment and training. And one must recognize that the fact of being underpaid in and of itself favors counterselection. The press is filled with reports that the best professionals are leaving the organization for three times their salary. Policemen are coarse. But what else could they be when their pockets are empty? How could we expect them to control themselves when they catch a thief and on occasion they find that he has hundreds of thousands of forints on him?

[Fekete] At your nomination hearing there was some discussion about what you will do once you are in office in regard to policemen involved in politics, and how you will make this part of the police past forgotten.

[Horvath] The police must be cleansed of all superfluous functions. From a practical standpoint, a new image must be carved for that body. A self-cleansing process will begin within the organization if we succeed with

this. Until this takes place I would not want to see a single policeman as a member of a political organization.

[Fekete] In the course of your earlier work, did you also manage to acquire similar professional knowledge concerning autonomous governmental bodies?

[Horvath] I believe that I have been a democratic minded person all my life. And the foundations of democracy are strong autonomous governmental bodies built from the grass roots. It is no coincidence that every dictatorship starts reigning by disintegrating small communities and self-organizing groups. At the time debate was raging within the MDF as to whether the Forum should be a party or a movement in the future, I had the good fortune of being able to participate in the writing of new bylaws. Subsequently I took part at the roundtable negotiations in regard to drafting laws concerning the right to associate and the management of [political] parties, which enabled the possibility that a community—the MDF in the given situation—could stand up for its political goals without having to surrender its character of being a movement. I believe these provided quite an "education."

[Fekete] But you, as minister, will have to propose laws as to how people should organize themselves at the local level. Isn't there a contradiction here?

[Horvath] There is. But in my view autonomous governance is not a matter of law, but of a system of relationships. That is why I would like to see the law concerning autonomous governmental bodies become only an overall framework. The content would be provided by the citizens of individual communities.

[Fekete] When is this law going to be finished?

[Horvath] I very much hope that Parliament will enact it during the second half of June, and then local elections may be held at the end of September. We will have to amend a number of laws, of course, and create a few new ones in order for local governmental bodies to function. The land issue must be settled for instance, the management issues, and the rest.

ROMANIA

Swedish Reporter Surveys New Romanian Press

90BA0150A Stockholm DAGENS NYHETER
in Swedish 23 May 90 p 3

[Article by DAGENS NYHETER columnist Ana Maria Narti: "Rhetoric Obscures News Flow"—first paragraph is DAGENS NYHETER introduction]

[Text] There is growing distrust of TV and radio and the Romanians are buying an increasing number of newspapers. But the great variety is partly an illusion, according to Ana Maria Narti in her report on the new Romanian press. The country has only one news agency.

The Romanian spring has been a spring of newspapers. Daily life is exploding in a large variety of new, old, and

new-old—in other words resurrected—daily and weekly papers; local and central publications turn up day after day; one can find sale outlets anywhere on the streets, morning and evening. Reading papers has become a favorite pastime—the theater, movies, and all kinds of entertainment have lost their power of attraction.

The first questions one asks when one comes into this newspaper paradise concern the mystery of financing. Where does the money that is so liberally invested in journalism come from? What do the finances of the papers look like? How long can the market for political publications keep on expanding?

The questions are fated to remain unanswered for the present. Many old newspapers continue to live on state subsidies, some are privately financed, some editorial boards are turning themselves into self-owned stock companies, but none of these economic structures promise long-term security.

An acquaintance, a theater director, has opened his own private theater and has started publishing his own cultural and political weekly called SCORPION after the theater. At the same time he is getting ready to open a nightclub in the same location. I asked: "Where does the money come from?" and got an amazing answer which I later heard often from others: "Money? There's plenty of money. If you don't have any it is easy to borrow some."

Either the Romanians have been forced to save like mad for many years because of the chronic shortage of goods, or the state authorities—under both Ceausescu and the new provisional government—have tossed out an enormous amount of currency to create the illusion of an economic miracle. There are probably other financial sources too; at present foreign investments are theoretically problematic, but in practice, large sums of money that have come from abroad via all kinds of likely and unlikely informal channels are already in circulation.

The methods used to get a new paper going are highly unconventional. The editor or the proprietor goes to the printing plant and offers the workers a better fee than they received before. The printers do not consult any supervisors about anything, they leave the old customers' manuscripts half-finished and quickly start getting things ready for the new one. Freedom of speech must battle with a severe paper shortage, but the biggest difficulty is connected with the inadequate production capacity. For this reason all press people dream of having their own printing company.

People buy anything that looks like a paper—out of curiosity, a desire to make comparisons, pure political

zeal, collector's mania. Distrust of the airwaves media is mounting and readers try to "correct" what they view as radio and TV manipulation by studying a large number of newspapers. And many of the new parties put out their own journalistic products—on a daily or weekly basis. The last time I visited the country there were 64 parties; viewed from the outside the variety is infinite.

When one starts to read one discovers that this large variety is partly an illusion, not because the opinions are similar or influenced by a few dominant attitudes; on the contrary, all types of thought and expression come to the surface and the language has undergone a rebirth, but most of the articles that are published fall into the same category. The majority of the material that is printed is polemical, commentary—usually ironic or sarcastic—a debate on ideas, analysis. Some writers have succeeded in becoming authors of a cohesive, strong and unusually balanced body of individual political journalistic work. The best of them is essayist Octavian Paler whose article appeared in DAGENS NYHETER's "Page Three" column on 22 April, formerly known as a dissident and author of a dreamlike prose, today one of the front's most active critics.

But I still missed information, objective and concentrated news, presented under clear headline with a layout that indicates what is most important. Neither journalists nor readers seem to care much about calm, reasonably objective, factual reports.

Decades without freedom led, quite naturally, to ignorance. In practice this also limits the possibilities for achieving quick results in the effort to bring out the news. The country, like most other East European states, has only one news agency. Contacts with big international editorial offices are few and unsystematic. The Romanian news agency is the same one they had under the dictatorship when it was called AGERPRES, but it has now acquired a name with a patriotic ring, ROMPRES. Working methods do not seem to have undergone a revolutionary improvement; many newspapers do not trust the material they get via this news service. But there are no other sources. Even the big daily papers have been unable to build up their own editorial staffs over the entire country quickly. Technical and economic barriers also make the work more difficult.

When I visited the country at the end of March I saw large groups of soldiers demonstrating on Victoria Square. The papers printed long commentaries and reports on the dissatisfaction of the military forces, interviews with soldiers, generals, and politicians.

But not until I was on the plane did I see clear and concise information in LE MONDE. The provisional government had decided on Tuesday, 27 March, to extend the length of military service. On Wednesday the 28th, the soldiers protested. On Thursday the 29th the decision to extend military service was revoked. A dry and concentrated account strikingly illustrated the provisional government's irresolute position—or perhaps its

game of making populist concessions. The rhetoric in the long Romanian commentaries obscured the everyday political picture.

The paper that has become the voice of the democratic opposition is ROMANIA LIBERA (Free Romania). Three of the members of the editorial board—Petre Mihai Bacanu, Mihai Creanga, and Anton Uncu—were arrested in January 1989 for attempting to publish an anti-Ceausescu paper. They were given a harsh sentence along with the graphic designer who helped them—Ion Chivoiu. Many of ROMANIA LIBERA's staff members were persecuted prior to 23 December. Now the newspaper is run by the three journalists who were arrested. Petre Mihai Bacanu has become chairman of the new journalists association.

During a visit to the editorial office I met an elderly gentleman, a retired civil engineer. He had come all the way from the Jiu valley to Bucharest just to report his observations concerning the miners' invasion of the capital, an important political event in the continuous struggle for democracy. The man sat facing the editorial secretary and presented his evidence and arguments systematically.

Well-informed citizens with initiative visit the editorial office daily; no one has the patience to write articles or letters. A great many articles are based on dialogues like this. The public is literally part of the editorial process.

ROMANIA LIBERA has big problem to contend with. The journalists say they could publish 4 million copies, but the paper shortage and especially the inadequate production capacity limit circulation. In March it stood at 1.5 million, in April it was forced down to 850,000. Nor does the newspaper reach the entire country. Some shipments mysteriously disappear during rail transport—it is said that large bundles are thrown from the mail cars or burned—others are not delivered on time.

During the election campaign the paper needed optimum conditions to cope with the wave of propagandist namecalling indulged in by the other big daily paper: the former party newspaper, now called ADEVARUL (Truth), which is totally committed to the politically dominant National Salvation Front. Between ADEVARUL and ROMANIA LIBERA, whose editorial offices are housed in two wings of the same building, intensive conflicts are increasing. Journalists who have been friends their entire lives can no longer talk to each other.

The papers are constantly trying to improve their financial and technical conditions. ADEVARUL gets support from the provisional government in the form of larger supplies of paper, better technical conditions, reliable distribution.

ROMANIA LIBERA, on the other hand, has to struggle under adverse conditions. The editorial board tried to acquire freedom of action by buying a secondhand

printing plant from a Finnish company. The negotiations went on for a long time and seemed to be nearing a satisfactory conclusion—ROMANIA LIBERA is an excellent investment, because the paper sells so well. But the deal fell through when the foreign partner decided to simply buy the entire paper! The political situation does not permit this kind of arrangement. The propaganda against foreigners has done its work. The front's supporters have succeeded in convincing many people that the "capitalists want to buy up the country." An editorial board opposed to the front cannot even allow the representatives of foreign capital to pay a visit unless it wants to be exposed to destructive mudslinging. And the ROMANIA LIBERA journalists are addressing the masses, so the only thing they can do is form a stock company themselves and become their own owners, which is not entirely without problems.

A visit to the other big opposition paper, 22, gives a totally different impression. The editorial board is located in the center of the city, unlike ROMANIA LIBERA which occupies an out-of-the-way, rundown, inconvenient, and pompous Stalinist building that was called Casa Scintei (Spirit House) not so long ago. In contrast, 22 is written and edited in a lovely remodeled and not too large patrician dwelling.

The weekly paper 22 is published by a loose association of obsessed individualists and academicians—the Group for Social Dialogue. It is the goal of the group to never become a party, never try to seek its own strong positions in professional politics; it functions as an independent watchdog and discloser of unsatisfactory conditions regardless of the affiliations of those who are responsible.

When I went into 22's editorial office for the first time I thought I had wandered into a living historical tableau: men aged 20-30, most with beards and quite long hair, sat around a table covered with manuscript pages, discussing and writing together—like a picture from 1848. It is a strong publication, especially as a result of its revelations of the secret history of the Communist Party and its policy of giving space to the new mass organizations: the real trade unions and the Christian movement. In addition the paper is distinguished by the constant cooperation of some of the country's best writers, among whom sociologist Pavel Cimpeanu is the best-known.

The editorial office of 22 has also become a destination for many citizens who come there to report on everyday political crises, but the place most resembles a rallying point for young and well-educated rebels. They are all friendly and courteous, speak good French, and often pretty advanced English as well, but people come and go and visitors must accept being pushed aside now and then—urgent new events set the tempo for a mild but intensive ritual war dance.

Several weeks after my encounter with the new Romanian press the big demonstrations that came to be called the Timisoara movement began. The demands were simple: The Communist Party and the secret police brought about the catastrophe, their leaders should not be allowed to run as candidates in the election. Freedom of speech must be guaranteed, among other things by allowing the establishment of independent radio and TV stations. There must be a purge of the government, the justice system, and the prosecutors' office. A nonpartisan investigation of human rights violations committed during and after December 1989 must be initiated, etc.

The journalists from ROMANIA LIBERA and 22 were in the front line, writing and speaking. At first it looked as if their big educational efforts were starting to have an effect, but the election results on Sunday, 20 May, were discouraging, though expected. Populism and corruption, violence and confusion won. Opposition journalists are called on to move mountains.

YUGOSLAVIA

Kosovo Albanians Arrested for Arms Smuggling
90BA0138B Belgrade POLITIKA in Serbo-Croatian
18 May 90 p 16

[Article by S. Ristic: "Ten Automatic Rifles Confiscated"—first paragraph is POLITIKA introduction]

[Text] In two automobiles 236 cartridges for these rifles and 250 cartridges for small-caliber firearms, as well as six bayonets, were discovered. The vehicles entered the country at Sentilj.

An operating group of the Internal Affairs Council of the Federal Republic of Serbia apprehended two smugglers yesterday on the Prokuplje-Pristina road, in the village of Beloljin, and took from them an appreciable quantity of firearms. Ten automatic rifles, six bayonets, 236 cartridges for automatic rifles, and 250 cartridges for small-caliber firearms were skillfully hidden in the two automobiles.

An Opel Kadett, Ljubljana registration LJU 571-679, owned by the Kompas rent-a-car, and an Opel Ascona, Pristina registration PR 776-20, owned by Ahmeti Nefis from the village of Perana near Podujevo, were stopped for a check. Driton Zjeci from Podujevo, employed as a mechanic at the "Podujevo" Automobile Company, drove the first automobile. Baskim Hodza, a merchant in the "Zitopromet" store, was at the wheel of the second car, according to Boro Tomic, undersecretary in the Republic Internal Affairs Council of Serbia.

The disassembled automatic rifles were hidden in the door panels, under the front fenders, and under the rear bumper. The rifles, make SA 85M semiautomatics, caliber 7.62 x 39, produced in Hungary, were purchased in Switzerland at a cost of 600 Swiss francs apiece. Smugglers Zjeci and Hodza drove from Switzerland to the

Sentilj border crossing point, because cars with Ljubljana and Pristina license plates pass easily through the border guards there, without a close check.

The smugglers could not find an excuse this time except that Albanians value and love weapons. And for a "great love," ten automatic rifles are a lot. Such rifles sell on the illegal market in Kosovo for a price of 3,000 to 4,000

West German marks apiece. Naturally, they are not earmarked for hunting or sport, but are stored in the separatists' arsenal.

Criminal proceedings against the two smugglers will take place in Prokuplje before the District Court, since the act occurred on the territory of Prokuplje Township.

HUNGARY

Changing of Guard Observed in Defense Ministry

25000739C Budapest NEPSZABADSAG in Hungarian
25 May 90 p 1

[MT] [Hungarian Telegraph Agency] report: "Lajos Fur in the Defense Ministry: New Military Doctrine Needed"]

[Text] Provisional President of the Republic Arpad Goncz was present at Thursday morning's leadership meeting held at the Ministry of Defense, at which Lajos Fur, the new leader of the ministry, was introduced, and retiring Minister Ferenc Karpati was sent off.

In his brief remarks Goncz said that these days the Hungarian Honved Forces are indeed transforming into the Honved Forces of the Hungarian people. His message to those who in earlier days professed different convictions, or found it difficult to serve, was that there is a need for every soldier who is willing to defend the country. He asked everyone to continue his work without anxiety and tension.

Ferenc Karpati stressed that soldiers have kept in step with societal changes, they have understood the need for transformation, and thus, he yields his post in good conscience.

In his introductory remarks Lajos Fur emphasized that a changing of the guard is taking place in Hungary, as well as in military life at present. The era of the party state has also come to an end in the life of the Hungarian Honved Forces. The National Assembly and the government face two great tasks: to establish democratic order in the economy, and to restore the country's and the nation's sovereignty. This will take time.

Military reform that has begun under the previous government and the military leadership must be streamlined with changes in the international scene. All of this demands that the Hungarian Government develop a new security policy concept. This concept must be adapted to a changing Europe and to changing Hungarian conditions. We must also formulate a new Hungarian military doctrine which concentrates exclusively on the defense of the country. The offensive character of the Hungarian Honved Forces must be abandoned, and we must loosen the strings which tie us to the Warsaw Pact, Fur said.

CZECHOSLOVAKIA

State Security Agent Writes to Daily

90CH0190A Prague LIDOVE NOVINY in Czech
24 May 90 pp 1, 8

[Article: "State Security Agent Has Come Forward"]

[Text] At the LIDOVE NOVINY editorial office we have recently received an important letter by unusual means. We cannot say anything more because to do so would threaten the safety of the informer. The letter is not anonymous but is written in enough detail to identify the writer. We of course won't do this but, after consulting with the appropriate office, we have decided to publish only the information that the public should know about. Even though it is certainly possible that the letter contains a "provocation" by the former disinformation network, the facts presented in the letter are sufficiently serious, that we consider it necessary to make them available to our readers.

It is probably unusual for you to receive letters from State Security (StB) agents. I hope you will realize why I have written the letter after you read it. Our entire society is in danger and I feel it is time to speak out.

In the beginning of my activities as an StB informer I was told that I would have only one supervising officer. Actually, I came into contact with 12 at different times. This means that I came into contact with higher and higher StB offices. During conversations with them one officer was always present. He spoke Czech, but the letter "h" caused him trouble.

The year 1968 was tragic from the beginning. Even during the first indications of liberalization senior StB officers made no secret of the fact that they were counting on armed intervention. I was told that even if StB offices were forced underground for a time we would remain involved in an activity regulated by special procedures. What would remain active would be a so-called dead network of agents that would wake up as necessary along with a master spy to perform intelligence operations and sabotage.

There is no need to comment on what happened after 1968. Large number of StB informers paid the price for welcoming the temporary liberalization as a release from their dishonorable tasks.

1. Our State Security is modelled exactly after that of the Soviet Union so that it can be managed without any modifications. While the USSR really does have "elite", relatively weak operatives in the middle ranks, and an extensive apparatus in the lower echelons, our situation is somewhat different. We have almost no "elite"; their place is taken by "advisers". We have relatively strong and numerous midlevel operatives, and relatively weaker lower echelons.

2. The StB Project 17 November was conducted as a provocation conceived by Soviet advisers with the absolute approval of the CPCZ. It was based on a simple principle. The StB can control members of the society who it has compromised, but young people have not been compromised, cannot be controlled the same way, and therefore have to be threatened and broken by violence. This project was scheduled for 17 November, when large numbers of young people were expected at a demonstration. The Soviet advisers made a grave error here because they did not recognize the mentality of a nation in a stressful situation. What happened, in fact was the so-called Blanik knights phenomenon. This is a nationwide mobilization of force in an incredibly short time and in a highly organized fashion, even though there is no formal organization. This is an immense force which no power can oppose, but it lasts a relatively short time. The necessary organization was formed during the marches. The "phenomenon" has occurred only a few times in Czech history. It is, however, known from our early history and occurs in situations when the foundation of the nation is threatened (the 1938 mobilization, the May 1945 uprising).

State Security understood that it had lost and went underground. The StB leadership continued, however, in another form. It did not, however, allow itself to make grave errors like the Securitate in Romania.

3. People become informers when their freedom is threatened because of a discovered crime, deviant sexual behavior, etc., and they are more or less forced to become informers. Only those people are chosen as informers who have access to society. The StB is most interested in informers with access to highly placed individuals, and such people are forced to inform at a high level after being compromised. Volunteer informers are very much the exception, and are usually people with mental problems who derive pleasure from the power that comes with "denunciations".

The most dangerous informers are opponents of a totalitarian regime who have been broken during interrogations or in prisons and begin to serve the StB.

The network of agents has gradually reached the upper levels of industry, culture, the government and it can only be stated that the Party and the CPCZ Central Committee were without exception run by the StB.

It would be a mistake to think that all informers are assigned to eavesdropping and denunciation. Once a potential informer is identified, usually an intelligent and highly placed individual, that individual becomes the object of special attention and is "pushed" to a higher position. He also receives intelligence training. The potential "informer" can never be the direct instigator of the arrest of a citizen. These elite informer-agents, you see, do not know each other, but are handled by a master spy in a civilian occupation.

The higher levels of management are very similar to those of the mafia. The controlling StB personnel are

dispersed mainly within foreign trade enterprises, in ministries, and in other state institutions.

4. One can expect pressure from the public to disclose the names of informers and, understandably, their censure. The StB supports these demands. The lower ranks of informers are no longer of interest to them, so they can use them to divert the attention from the leaders and satisfy public anger. During this time the most dangerous agents are moving into influential posts, and will conduct their affairs according to instructions. Lists of this network of StB agents will not be found in this country.

The planned, and partially completed liquidation of bureaucratic centers, foreign trade enterprises, ministries, etc. is a very dangerous policy. The former functions of monitoring and controlling the highest levels of government have now shifted to the "management of sabotage", which is intended to sow dissatisfaction in the general public leading to the return of the old guard.

They have already succeeded in wresting the right to occupy managerial positions during the transition to production and other organizations. These people certainly include members of the "dead network" who will be activated. We are witnessing the suppression of true experts by imposters who will proceed to freeze enterprise development...There is no effective measure in place except a revocation of the promises to allow retention of senior positions. We must recognize that most of these senior and line managers at the workplaces in question are responsible for the unhappy state of our economy and are not qualified for these positions.

Despite this hopeless situation there is one weakness of the StB, namely the localization of its operations. To conduct operations that cannot stand the light of day and which are frequently illegal it is necessary to have conspiracies and a very tight front of relationships, know the "terrain", and maintain contacts under previously agreed upon conditions. If an StB employee, even the most powerful, moves to an environment that is unfamiliar he immediately becomes powerless. If his agent moves that agent loses value not only for his controlling office, but generally as well for at least several years. Conspiratorial work simply does not handle moving very well. I therefore suggest as a preventive measure a nationwide relocation of Ministry of the Interior (StB) employees. Similarly, employees of foreign trade enterprises and similar institutions should be relocated.

...The upper levels of the StB are managed from abroad. A network of agents has been built from abroad, is now waiting, and has a completely neutral appearance. Even agents that will be counted on in the future sometimes have no idea that they will be put into play.

The vast majority of informers and more important agents have been recruited based on compromising information. It often happens that the compromising situation has been prearranged. However, work for the StB does not free a person, but immerses him further and further in a feeling of guilt. During "realization"—the

imprisonment of a citizen—the informer becomes the direct cause, the perpetrator. Informers are therefore in a constant state of fear that breaks them down on two sides.

In the current political situation informers are further weighed down by the fear of discovery and its consequences. On the one hand the informer is glad that his "work" is over for now and is genuinely happy about the political change, while at the same time his fear of discovery increases. Higher level agents are not as afraid of disclosure and, moreover, have clean hands because they have not been guilty of anything. They, however, are afraid of the activities that they will be forced to engage in after activation of the intelligence and mainly, economic sabotage network. Their attention is now directed to the USSR, where the power of the KGB has not been reduced in the least. They might hope for the demise of the KGB, but then again they come to fear being betrayed.

...All this psychological pressure and natural fear can be used to liquidate the network, beginning with its disruption and then the patient uncovering of the entire network.

A Proposal: After careful preparation the daily press addresses StB "informers" directly. The state gives everyone a chance to dissociate themselves, with proper regrets, from their previous activities and, while they remain anonymous, makes it possible to pardon all of them. The address of the institution or commission charged with handling the process will be published. The informer sends an anonymous letter to this address, with the following information:

- when, where, and by whom he was forced to cooperate;
- how often and where he met his handler and the name of the handler;
- whether he has signed an informing arrangement that has not been realized.
- the level of society to which he belongs;
- the focus of his assignments;
- the cover name that had been established for informing or another name chosen now so the informer can later support his confession.

This project will be successful and will eliminate most of the fear and open the possibility for a normalization of life. It also has these advantages: massive anonymous confessions of guilt will seriously disrupt the entire network because it will uncover a representative level of informers and agents of the dead network. The KGB will not activate a network that is not intact...The compilation of anonymous confessions of guilt will point to places of interest to the StB and KGB and therefore the way to uncovering other operatives.

Esteemed editor in chief, excuse me for putting you in the middle, but these are part of the conspiratorial methods. This is probably a professional deformation....

Slovak Writer's Reply to Vaculik

90CH0194A Bratislava NOVE SLOVO in Slovak
24 May 90 p 5

[Article by Vladimir Minac: "Our Czecho-Slovak Question"]

[Text] "Why did you break away? Why did you splinter off? Oh, just put aside the remorse forever: It's a brutal, worthless burden." P. O. Hviezdoslav: To Our Czech Brothers.

This is how Hviezdoslav would have responded to Adolf Heyduk, a true amateur, a true lover of Slovak ("Oh, that Slovak, holy language, I know..."), that zealous collector of everything Slovak, including Slovak sorrows ("My heart bleeds and chest throbs when I remember you, inflamed by ardor..."), a mediocre poet who chanced upon his avocation, which was strange for his time, the way that others take up stamp or butterfly collecting. I am mentioning him because thousands of "amateurs" followed in his footsteps. In the pre-Munich republic it was obligatory in all the salons and schools to love the Slovaks, as a good, diligent people, as an "original". The Slovak entered this idyllic existence as a part of "Tatra nature", that is at the level of a deer or a marmot. All these lovers fell silent, became offended and angry if this Slovak ever said anything, ever tried to assert his natural rights, ever tried to become a subject instead of an object. This was the case even in the 1870s. Let me quote from an essay of mine, so I won't make a mistake: "...now though, after 34 years (from the founding of Slovak - V.M.) only the union of two equal, independent and free branches of Slavic peoples seems possible, not however the union of one that happens to be weaker to another that happens to be stronger. To carry out such an annexation seems to me to be farfetched." A letter from Samo Daxner to Josef Holecek, another amateur lover of Slovak culture who would have happily loved Slovakia without Stur's "mistake", i.e. without Slovak, also expresses clearly the necessity of equality and independence. Samo Daxner simply repeats the concept of independence and equality from his relative, the famous Slovak politician and founder of Memorandum, Stefan Mark Daxner. This is by way of stating that the idea of an independent state is legitimate, that it has not been dreamed up by just anyone, but has existed in Slovak politics from the beginnings of its modern existence. It would be a good idea if all the professionals, and even some amateurs such as Mr. Vaculik, who think that the "bumpkins" were lazily napping next to their windows and keeping their feet warm so they could make a fast getaway when the Czechs proclaimed democracy, would read our founding document, our passport into the modern age. I think that the followers of Stur thought at the deepest level about the concept of our people as a

Czech renaissance of the Czech people, that they understood many connections that we understand only slowly and with difficulty, and that they conceived of the geopolitical purpose of Slovak culture as more promising than we do. According to the Memorandum the Slovaks are "to defend Western culture against the barbarians of the East, and to defend and retain for the future its independence from the stifling influence of the West." What could we add to this Magna Carta that was written almost 150 years ago.

Only a fool talks about something he knows nothing about. We want to be able to make well informed decisions in our own time about our relationships, not be forced to make decisions based on insufficient information.

It truly bothers us that we do not have a feudal history, or that our feudal history is not as well known as that of other peoples. Certain Czech traditions (the Hussites for instance, or Jiri z Podebrad, etc.) are certainly full of the future.

It is not easy to put together a history that others have torn apart, ripped up, and stepped on, hiding our former political leaders, whatever they were called. Perhaps P. Vaculik does not know that we did not even have the right to a Slovak history under the pseudodemocratic government of the Tatickov generals. The high schools taught Czechoslovak history, which meant Czech history. The same was true at the first "Slovak" university right up until the end of the pre-Munich republic.

Clearly, today we could, as they say, tailor a history to ourselves, just as Palacky did for the Czechs. But we are interested in more than the kings, the battles, and the generals. We are interested in the meaning of what happened to us, the meaning of a past that might have pushed us in what directions, To whom? and to what end?

We will not ask for the identity card of secret policemen or of Mr. Vaculik. We are identified not only by an autochthonous culture, but also as a political people, at least since the appearance of the Sturovites, despite our unfortunate socioeconomic fate. Only as free and independent people can we live with others. No other alternative exists. We will not permit another annexation. Anyone in Slovakia who thinks any other way these days is guilty of criminal, deviant thinking. After all, how is a proud, sovereign, and independent people supposed to behave? Should it be silent and let itself be stepped on constantly, or should it speak out and express its resolve, its unique dignity? We have begun, that is, to speak as the enfranchised with the enfranchised, as equals to equals. But what kind of false shout do we hear? And who is making the noise?

I checked three times to make sure I had the correct name: could it be Ludvik Vaculik? The favorite of Dominika Tartarka? Who is he to deny us a place in the sun, i.e. the right to a free and equal relationship with

other peoples? Could this be either random infantilism or an intentional attempt to ruin our union?

To tell the truth we have had our fill of the ignorant and, as it seems, uneducable indolence of a so-called older brother. We have had our fill right up to the eyebrows. We do not wish to and will not sleep in the same bed with an older brother. We have no older brother. The older brother is quite a new idea and plays an important role in the Czechoslovak legend, from the founders to the present. Before them our older brother was, it is difficult to say it, Russia.

Prince Spytignev II had his older brothers killed, executed 300 Great Moravian lords. Since that time there has been a question of who is the older and who the younger. To be sure, the great chaos brought the prince not only to the question of birthright but also to questions of crime and punishment. Certainly, Svatopluk's warriors were probably not very kind to Czech castles, but who is Cain and who is Abel? History that is layered like this cannot produce any kind of positive advice, only pure resentment. And resentment cannot be a foundation even for a shepherd's hut, let alone for modern national cohabitation. The fiction with the younger brother only shows the inflexibility of Czech political thought concerning Slovakia and the Slovaks, only repeats the old ideas in which one is lord, and one is servant, in which the "dovelike" people need to be taught to be polite, need to be taught a special hygiene, but mainly need to be taught, under the older brother's supervision, to regularly change his dirty pants, but never stick out a begging hand so as not to embarrass Europe. Or, in other words: "I think," Mr. Vaculik proclaims his Moravian Bull, "that the Slovaks are not ready to have equal and free relationships with other peoples", meaning that older brother will have to continue to train him in unequal relationships. Vaculik, to be sure, is not very original. Czech policy has, as a rule, been conducted as if Slovakia is an interesting preoccupation. Frantisek Ladislav Rieger, at the time of the Austro-Hungarian accommodation promised our enemy the Hungarians that "the Czechs won't even look through the Moravian wall at the Tatras. But when the younger brother began to howl that he had been betrayed according to a Biblical story, the same man responded, "Gentlemen, take care of getting rich, then you can have political power as well." That is the second cheek of brotherhood, the one turned away, a harsh, divisive reality, the same at the time of F. L. Rieger and in the time of P. Vaculik.

Slovak policy for more than 100 years now can be severely criticized. It has been subservient, imitative of Vienna, then of Budapest, and more and more of Prague. It has been wishful rather than realistic, sentimental rather than energetic. It has had its moments, from Daxner's Okolia to the Pittsburgh agreement, to the Slovak national uprising, to the first attempts at federalization. "A people either distinguishes itself by its independence or declines to the status of a social group within a larger entity", writes L. Vaculik. We have more

than once shown our will for independence. We have been unable, however, to bring this wish to fruition because of violence by the center in Prague, economic and administrative violence; even, as older people remember, by armed police violence. It is the center that has always wanted our people to be a "social group" crucified on the cross of Czechoslovakianism.

"After the defeat of fascism we rightly should have come to terms in our conscience with our fascist experience..." writes L. Vaculik. We did not come to terms with our own experience of fascism after its defeat, but right in the middle of its powerful life. We did not kick it while it was dying but while it was in full health, and right in the teeth of an armed fascist. That was our meditation, our searching of our conscience, our criticism of fascism: the Slovak national uprising was the second largest uprising against fascism in Europe. L. Vaculik is certainly right in that it was not an instinctive uprising in defense of the Czechoslovak republic, but purely an uprising against fascism, to purify the national conscience. Truly, we did not want Mr. Benes to pull our chestnuts out of the fire, nor did we want his pre-Munich regime, which looked down its nose at us even in the middle of the war. "The simple fact", stated Mr. Benes, "that...as Czechoslovaks we maintained without compromise the pre-Munich regime prevented Slovakia and the Slovaks from being considered a defeated people at the end of the war. "We did not want to sit in a strange cage and eat out of a strange hand: nevertheless our political representatives during the Uprising brought the Czechoslovak idea into the goals of their armed struggle and created a just and essential thing.

But the purpose lay elsewhere, it was deeper: "We ourselves are indebted to that action, which made the world aware of our new historical consciousness." This is the way Ladislav Novomestsky summarized the purpose of our armed uprising, and this basic explanation remains true. It is precisely an inability to comprehend this new Slovak historical consciousness that results in the immense short circuiting of our relationships, a true animosity. The unwillingness to see us as a free and equal people provides fertile ground for an entirely new Czechoslovakianism. Under the cover of normalization everything was swept under the rug. We did not know ourselves, but we were unaware that we knew so little about ourselves. Therefore Slovakia experienced a general explosion of a limited Czechoslovakianism, but because it was not cut from the same cloth as those ancient, shocking funerals it was able to trample easily the soil of Slovak ultranationalism, which was feeding on the fruits of Czechoslovak centralism.

And a few of us actually thought that both extremes belong in the archives or in the closet of a famous, but now washed up actor. The idea of a famous actor came to me because the ballet being danced by L. Vaculik in regard to our Slovak Question is unbelievably territorial and provincial. He is not doing the ballet at all, but jumping up and down in front of the general national-socialist public. In one place he writes that the Czechs

"physically and spiritually were glad to absorb Slovak territory", while on the other hand they failed to absorb Slovak perceptions, feelings, and attitudes." Then what did they actually absorb? How could they absorb the spirit of our country if they could not absorb our spirit? And for what reason would they want to absorb it: are we some kinds of orphans, eternal adolescents? One more step and we will read something like: "master", "capture the soul" of Slovaks, perhaps for a growth hormone: "After all, it's clear that a Czech will be a taller person if he grows up being part Slovak." It's a shame that nothing is said about that part of the Slovak that the Czech uses to grow. The genetic engineering of A. Novotny was much more understandable; each mixed marriage gave birth to a Czechoslovak child.

The Czechoslovak State Railways; this is what they were called, and the truly long tracks stretching from Asa to Jasin had no other name. There was a Czech station-master and dispatcher at each station. They were the Czech State Railways. I have already mentioned that we studied Czechoslovak (Czech) history. We also had a subject called the Czechoslovak language, and one called Czechoslovak literature. So we learned by heart the Czech legend of Jidas from the middle ages, but never a word about Slovak baroque poetry, to say nothing of the fact that we knew nothing of the historical development of Slovak. (According to professor A. Prazak, Slovakia was overgrown with virgin forests in which there was likely little communication except occasional yodeling).

"To be a Czechoslovak is a worthy task", writes Vaculik. Except that behind the Czechoslovak is a poorly concealed pure Czech who has in some way or another taken over the Slovak countryside; and if he has not taken it over yet, he wants to. The problem is that the Slovak does not want to be a Czechoslovak, does not want to hide behind a strange facade, he wants to be his own man under his own laws. Is this so hard to understand?

Is it hard to understand that they cannot pull us out by our roots, that they cannot tempt us with anything? In the style of the national socialists in 1947 Vaculik tries to scare us with Hungarians, Russians, economic penalties, a Czecho-Austrian or Austro-Czech condominium.

Except that it is not so easy to tempt us. We have survived worse, the very worst.

A people, as Janko Francisci stated, is demanding, which means egotistical: It wants something, wants it for itself. First instinctively, and then rationally it chooses those things that are advantageous for it. It is not necessary to talk about brotherhood, about a common history, about a common culture: All of this turns out to be full of holes.

All the important political forces in Slovakia are convinced that our coexistence in some form of state can be useful, advantageous, and therefore sensible for both sides. After free elections, while we are drafting a constitution we have two years for free arguments and considerations. This will allow us to agree or disagree on

the basis of arguments, not resentments. To be a free Slovak and free Czech will not be easy, but it is our single common possibility.

GERMAN DEMOCRATIC REPUBLIC

Restructured LPG as Alternative to FRG Farming

90GE0133A Frankfurt/Main FRANKFURTER
ALLGEMEINE in German 19 May 90 p 15

[Article by Klaus Peter Krause: "Agrofactory and Village Idyll—Competing Models for a Future Agricultural Policy/Organizations Far From the Market and Competition"—first paragraph is FRANKFURTER ALLGEMEINE introduction]

[Text] Following the imminent German unification, people working on GDR farms need not fear the market. After all, the Western system of farming has little to do with the market. GDR cooperative farmers will no longer be able to expect high sales prices. On the other hand, their costs will be lower. Klaus Peter Krause examines farm productivity, costs and yields in both parts of Germany. His conclusion: The large farm units in the GDR may well offer serious competition to EC farmers.

West and East German agriculture have at least something in common: In neither is there a market economy with truly free competition. Of course that is a rather sad common feature. The Federal Republic spends billions on the "agricultural market systems" of the EC in order to prevent market forces from fully governing agriculture. The GDR takes a different tack but also spends billions to make sure that market forces do not even begin to govern. Consequently, though GDR farming will now have to abandon its state planning system, it will not proceed to a completely free agricultural market. It will enjoy government support prices and substantial import protection vis-a-vis non-EC countries, a large variety of subsidies and a social farm policy that accounts for as much as two thirds of Bonn's agricultural budget resources.

Still, adjustment will not come easy. More than 40 years of socialism have decisively transformed agriculture. The former peasant structures were demolished, farmers and land forcibly transferred to large state or cooperative enterprises and collectivized, entire landscapes emptied, fields merged into enormous megafields, livestock concentrated in huge barns, the level and ratios of farm prices fixed centrally and arbitrarily by the state. What is the situation of this GDR agriculture now that it needs to adapt and adjust to an all-German currency and economic union?

At this time 3,855 agricultural producer cooperatives (LPG's) cultivate 86 percent, 465 state farms (VEG's) seven percent of the GDR's farm land. Most of the remainder is shared by Church estates, some 3,000

independent farmers and LPG members who are permitted to own up to half a hectare private land. Cooperatives produce 95 percent of all crops and 75 percent animal products. The state farms, designed to be experimental and model enterprises, own slightly better than 12 percent of livestock, produce 20 percent of seeds and seedlings as well as 18 percent of breeding stock and livestock.

A crop producing cooperative plows an average of 4,500 hectares, a state farm some 5,000 hectares. That is just about the equivalent of the holdings of seven villages. In the FRG, by contrast, the about 667,000 farm enterprises run to no more than an average of 18 hectares. Only 6,000 have more than 100, a handful about a 1,000 hectares. Full-time farmers cultivate an average of 31 hectares.

Another obvious difference consists in the fact that GDR agriculture employs around two percent more manpower than West German agriculture, although its farm land amounts to a little better than 6 million hectares, a bit more than half the just about 12 million hectares farmed in the FRG. In other words: West German agriculture manages with half the manpower of East German farming—in terms of full-time workers it employs seven people per hectare compared with 14 in the East. A cooperative specializing in crops and consisting of roughly 500 former private farms, employs an average of 240 persons, a cooperative specializing in animal husbandry around 110. The latter on the average keep livestock in their barns in numbers corresponding to 4,500 steers at least two years old ("large livestock units").

Admittedly, when comparing manpower figures, we must remember that a LPG or state farm employs various people who have nothing to do with farm production as such. They include craftsmen such as bricklayers and mechanics, the personnel for the cafeteria kitchen and the nursery school. It makes sense for the farms to have their own full-time craftsmen: The old and worn machinery frequently needs quick repair, and the GDR's services sector including supply of materials is in poor shape. It has, therefore, been necessary to retain construction and maintenance brigades, enabling the farm enterprises to deploy them wherever needed, instead of having to wait endlessly for relief from the outside.

The concept of operating agriculture like an industry meant that bigger and bigger units were cobbled together, while crop production and animal husbandry were separated. Farming is now carried out by enterprises that either cultivate fields or keep livestock. The socialist doctrinaires expected this to yield production technical benefits, more rapid performance improvements and lower costs. At the same time they wished to adjust rural working and living conditions to those prevailing in urban areas. By contrast with the individual farmer-entrepreneur in the Federal Republic, the workers employed on GDR farms had fixed working

hours and an eight-hour day. These workers consider that a major social benefit, and hardly anyone is willing to give it up again.

Continued Existence of Cooperatives Threatened

What is the output of GDR agriculture, its land and manpower? When we convert to grain units as a yardstick for comparison for all that GDR farming produces in the field and in the barn, the total yield amounts to 20.48 million tons of grain units per annum. That is the so-called net production (excluding that volume of animal husbandry output achieved by imported feed). FRG agriculture boasts a net production of 63.31 million tons grain units. That means 5.3 tons per hectare, compared with only 3.3 tons in the GDR. Area productivity in the FRG, therefore, exceeds that in the GDR by slightly better than 60 percent. Yet another comparison: A full-time worker in West German agriculture produces 75 tons grain units, in the GDR only 24 tons. In other words: Labor productivity in the FRG is three times greater. This greater labor productivity also translates into earnings on the two sides: A farm worker over there has an annual income slightly in excess of M 13,000, his counterpart here earns almost DM37,000, again almost triple, if we apply the future 1:1 conversion rate.

Still, output alone does not supply enough data. Economic capacity is the deciding factor, in other words the costs of farm production and the earnings resulting therefrom. This arises from the so-called net product: The produced volume multiplied with the respective market prices, less spending on working funds ("previous work") and depreciation. This net product at market prices is around M 30 billion in the GDR, roughly DM16 billion in the FRG (average of the past three years). Per full-time worker that amounts to about M 35,000 and DM19,000 respectively. At the 3:1 official exchange rate in effect from the first of the year through 1 May, the M 30 billion correspond to DM10 billion, and the M 35,000 to about DM11,700.

However, fixed producer prices for farm enterprises in the GDR (in East German marks) are considerably higher, because they carry greater subsidies than the EC support prices paid to farmers in the Federal Republic (in West German marks). The price of wheat in the GDR, for example, exceeds that in the FRG by 75 percent, that of rapeseed by at least 100 percent and the price of brewers barley by more than 110 percent. The excess for milk is 148 percent, eggs better than 150 percent, potatoes 200 percent, beef cattle 238 percent, and pigs 275 percent.

What does that mean: When, following the currency and economic union on 2 July, all prices are given in West German marks, this difference in price levels becomes untenable. Once the borders are open, GDR producer prices will drop to the EC price level. Bereft of subsidies, the GDR's net product will shrink to only DM5 billion.

In that case, there will either be insufficient money available for wages as paid hitherto, or GDR agriculture will operate at a loss.

If producer and producer goods prices were to be immediately reduced to the West German level, the currently acceptable profitability of the majority of GDR enterprises would be converted to a loss situation. At least that is the outcome of calculations by Klaus Schmidt, professor at the Academy for Agricultural Sciences in East Berlin and head of the study group on the economic reform of GDR agriculture, forestry, and food industry. According to Schmidt, farm enterprises are currently achieving average profits of about M 2,000 per hectare. Rough preliminary calculations show that this would turn into losses amounting to DM1,800-2,000 per hectare. Only 10-20 percent of farm enterprises would then be able to operate profitably, using their own resources.

In the meantime these rough calculations have been replaced by more precise figures. The GDR submitted these to the Federal Ministry of Agriculture at the time of the negotiations. However, neither the figures themselves nor the method of calculation have been published. Last March, Klaus Schmidt thought that subsidies of up to M 11 billion would have to be provided in order to secure the continuing existence of most farm enterprises. Even then many cooperatives and enterprises would be threatened with extinction. Many simply did not have sufficient potential for building up new competitiveness by means of structural changes.

This situation compels cost reductions. GDR agriculture, for example, is wasteful of fertilizers and pesticides—yet its yields are lower than those of West German farming. It uses 30 percent more potash per hectare than do farmers in the Federal Republic, five percent more nitrogen and as much as 160 percent more calcium; only phosphorous consumption is about the same. GDR farmers spray more than twice as many pesticides on their fields. All too often chemicals are used at the wrong time, and dosages tend to be inexact; they also lack the proper quality.

Cost savings may also be achieved by the prices of working equipment dropping to West German levels from the excessively high level prevailing in the GDR—almost twice or even three times higher than in the FRG. Labor costs also could well be reduced, given the comparably much larger manpower employed by GDR agriculture. Farming there could well manage with fewer workers if motivation were improved, absenteeism reduced, the system related waste motion and hidden unemployment abolished.

Manpower is also unnecessarily employed as a result of the fact that agricultural enterprises need to operate farm machines with a technical standard well below that which is available and used elsewhere and, therefore, less efficient. Moreover, machines and equipment are obsolete and therefore need more repairs. Repairs equal idle

time. This may often last quite a while, because replacement parts are lacking. Whenever possible, farm enterprises carry out their own repairs, and that again requires additional manpower. The earlier heavy concentration of repairs and maintenance at central kreis enterprises for farm equipment did not respond well to the needs of farming enterprises, because many were too far away for convenience, and repairs took too long. In fact, this concentration resulted in the growing deterioration of the maintenance and serviceability of farm machines.

The Charm of the Eight-Hour Day

Going by sheer numbers, GDR agriculture is wealthier in trucks and trailers: 10 trucks and 49 trailers per 1,000 hectare—an expensive consequence of large-scale farming (greater need for transportation across long distances). FRG agriculture operates only two trucks and 12 trailers per 1,000 hectares. Comparable figures for the many other farm machines are hard to get, because official West German statistics are silent with respect to other farm machines (in contrast to East German statistics).

The GDR has no trade in farm machinery. There are 15 district organizations for material-technical supplies, by means of which the state allocates farm machines and other technical equipment to the farms. Consequently there is no such thing as optimum supplies. This situation will promptly improve following the currency and economic union. In addition to the necessary replacements, eager traders are bound to offer used machinery from the West, and the compelling need for lower costs will mean that technical progress will advance in farm enterprises also. Furthermore, the dangerous situation arising from the transformation will compel a more rapid growth of productivity. The large productivity gap by comparison with FRG agriculture points up the reserves available.

As a result of all this, many workers will become redundant, just as in other economic sectors and enterprises of the GDR. Farm enterprises simply cannot afford to employ these supernumerary workers. However, one of the questions still to be settled is this one: Whether and to what extent farm enterprises may let people go. Can an agricultural producer cooperative (LPG) fire workers who are employed there because they are members of the cooperative? Can it end the working relationship regardless of membership? And what happens if members are involved, who are coproprietors of LPG land and, upon being fired, require their land to be returned to them? Or, if they do not want it returned, what amount of rent may they require to be paid? And, while slimming down its manpower stock, will the LPG be able to mete out different treatment to coproprietor-cooperators and simple cooperators? Could it be liable to claims for compensation?

As to ownership: The legal problems and consequences to be resolved in this regard will confront the farm

enterprises with enormous difficulties. By the expropriation of 1945-47, the "liquidation of feudal-Junker estates"—described as "democratic land reform"—everything in excess of 100 hectare (including buildings, live and material inventory as well as other agricultural property) was impounded without compensation and distributed to small farmers, farm workers and trusted KPD [German Communist Party] comrades. This was followed by collectivization in 1952-60, forcing all farmers (including those earlier gifted with "Junker" land) into producer cooperatives. Three types of these cooperatives were established. Arable land alone was contributed in Type 1, arable land and all working beasts necessary for common field cultivation, farm machines and equipment in Type 2, or all real property—including all outbuildings—livestock, farm machines, and equipment in Type 3.

All three types have in common that the farmers forced into the LPG's retained ownership in the land contributed, in other words continue to be proprietors and indeed are paid a small fee. This means that roughly one-third of LPG members possess some land. They may bequeath the property and even sell it (the LPG having a preemptive right), but until now were unable to take it out and farm it on their own. This restricted right of disposition will certainly be changed by the German-German state treaty. Unfortunately there are no definite indications for what land belongs to whom. The is due to the following provision: "The lands of the cooperative will be combined in a large common land area. Boundary lines and stones will be removed."

Nevertheless, owners will be awarded the right to restitution. It is not certain yet how many will in fact pursue such a claim. In early May the LPG Federation stated that a large majority of cooperatives wished to continue cooperative production; no more than three to four percent of cooperative farmers were contemplating private farming. People who have talked to GDR farmers think that there may in fact be many more: While LPG managers are pressuring members not to withdraw their land, the members are keeping a low profile so as not to unnecessarily early on clash with managers and comrades and wait for the outcome of the state treaty.

It does seem likely that a large majority will prefer to retain their status as farm workers and stay in the cooperative. One—important—reason is the fact that they have always been working in highly specialized jobs and simply lack the overall knowledge and training for independent farming. They also have neither machinery nor outbuildings and do not feel competent to confront the future competition on their own. Other factors (such as the eight-hour day and regular vacations) represent additional incentives. Still, some older farmers have already given notice to quit their LPG membership as of 1 July.

Desirable Partners for Trading Chains

Quite understandably, LPG managers wish to "keep their business going." After all, it is precisely the good

structural situation of GDR agriculture (large fields for crop cultivation, large numbers of livestock in animal husbandry), that should enable it quickly to rise to the market economic standard of productivity and business efficiency. Though socialist obstinacy forced agriculture, too, into detrimental types of organization, these mistakes can now be corrected. Though the concentration of livestock and the ensuing floods of liquid manure seriously pollute the environment, that also can be alleviated. Once cooperatives (in whatever legal form they may assume) will be free to cut down unduly large business dimensions and organize themselves in a sensible and businesslike manner, their large and uniform size will make them attractive and desirable partners for the agricultural trade, major trading chains and the processing industry.

These prospects are viewed with the utmost concern by farmers in the FRG, who operate small family farms, and the political representatives of the farmers, who consider the preservation of such structures their life's work. They secretly hope that the large-scale enterprises over there will dissolve, that many will leave the LPG's and either slave on the land as full-time farmers or turn into part-time farmers, that GDR farming will also mainly feature family farms. This wish is most unlikely to be fulfilled, even though Federal Agriculture Minister Ignaz Kiechle has long contemplated subsidizing the people over there, who want to run their own farms, by offering cheap loans and subventions—just as farmers here receive for new establishments and renovations.

FRG agro politicians like to draw the LPG cooperators' attention to the fact that large-scale farm enterprises, often dismissively described as "farm factories," are here considered businesses (and therefore subject to the trade tax), and that they are excluded from government subsidy programs. This would in future be applicable in what is now the GDR. These recommendations definitely sound as if the interested parties here wish to suggest to the large farm enterprises over there, that it is better to revert to a small scale just to be allowed to dip into the bottomless pot of subsidies.

Indeed, one LPG chairman in Saxony-Anhalt has already appealed for in future farming the land in units of only 50-100 hectares. He asked any interested party over here or over there to come forward—"so that we may know how many there are of us." However, the breakup of the large cooperatives into such small units would be most unwise. GDR agriculture would deprive itself of its currently greatest advantage that will be crucial for its future competitive powers.

Of course, a traditional farming structure with farms run by families is both beautiful and lovable. However, we may certainly dispute the persistent assertion that farming by large-scale enterprises is necessarily inferior to the family farm in economic, ecological, and social terms, that it only does damage and is generally undesirable. If it resists the siren songs from the Federal Republic, GDR agriculture has quite a good chance to

refute this assertion. If it manages to reasonably well cope with the period of transformation and transition, it will be a serious competitor for the FRG's agricultural structure with its emphasis on the family farm. And that is exactly why it is already feared, despite it still being backward and endangered.

HUNGARY

IMF Holds Out Hopes for Increased Cooperation

25000736B Budapest NEPSZABADSAG in Hungarian
17 May 90 p 1

[Interview with IMF president Michael Camdessus and Lady Catherine Lalumiere; place and date not given: "Michael Camdessus: The IMF Is Negotiating With the New Team"—first paragraph is NEPSZABADSAG introduction]

[Text] International Monetary Fund president Michael Camdessus and Lady Catherine Lalumiere answered questions asked by NEPSZABADSAG at a joint press conference.

[NEPSZABADSAG] Was there some kind of "interregnum" between the IMF and Hungary at the time the government changed?

[Answer] There was no pause, no gap in our relationships, and even if there was, we have bridged that with the \$200 million loan. The former government requested us to help the country through its gravest period. As is known, Hungary's balance of payments showed a very poor performance in 1989, not to mention the deficit forecast for 1990. Since bankers in general do not like uncertainty, the IMF helped Hungary survive the most difficult weeks.

[NEPSZABADSAG] How do you regard Hungary's economic performance during the last year or two?

[Answer] Whenever the IMF intervenes it observes the need not to treat symptoms only, but also to reveal the causes that prompted the crisis, and to provide help in the elimination of those causes. We asked Hungary to keep its budgetary deficit below \$20 million, the inflation rate below 20 percent, and to stop the relapse. In other words, we recommended budgetary discipline and a more stringent monetary policy. They complied with these requests in Budapest. By devaluing the forint they provided testimony that their intentions were serious. The balance of payments outlook has improved, and it appears that they have succeeded in maintaining the inflation rate at a controllable level.

[NEPSZABADSAG] You mentioned a plan that is more ambitious than the earlier programs. IMF experts and Hungarian professionals are working on it at present. What concepts are we talking about?

[Answer] Our relationship with the previous leadership was good, but they were also aware of the fact that they

are not the ones with whom long-term concepts should be discussed. For this reason our cooperative program covers only this year, and we are already negotiating with the new team regarding the support needed for the next three years' plans for reform. We believe that we may provide not only financial assistance, but we can also play a catalyzing role in the future, helping Hungary to build good contacts with various development banks. Hungary may start implementing the program toward the end of 1990, and in this regard it may count on sufficient financial support.

Economic Chamber Proposes Policy Guidelines

90CH0186A Budapest MAGYAR HIRLAP
in Hungarian 30 May 90 p 7

[Article by Sari Pogany: "Chamber Crisis Management Package: A Point of Reference for the New Government"—first paragraph is MAGYAR HIRLAP introduction]

[Text] In order to turn around the unfavorable economic processes, at its last meeting the Hungarian Economic Chamber adopted an economic policy program proposal which considers exclusively requirements for the maintenance and renewal of economic functioning, irrespective of political endeavors. We are presenting a few concepts contained in the package plan. These may serve as points of reference for both the business sphere and the new government.

Insofar as structural change is concerned, the Chamber recommends that enterprises capable of changing should be able to receive short-term loans based on competing applications, opportunities to extend such loans based on credit agreements, and exemptions from paying taxes and interest for a period of two to three years—all based on preestablished criteria. The following may serve as criteria: the way the employment situation evolves, the attraction of foreign capital, the volume of the means required, and the expected time frame the implementation of the program demands.

The examination of enterprises to be liquidated must be organized, so that it becomes possible to determine which of these, or which parts of these, may be restored with the help of foreign capital. In regard to those agreeing to do so, it would be appropriate to support the search for Western partners who may also become buyers with economic diplomacy. Enterprises incapable of transforming should be placed under state administrative supervision, and a central privatization program must be established for them.

To Share the Burden

The solvency crisis may be resolved on the basis of credit arrangements, the writing off of noncollectibles, and the initiation of liquidation proceedings. But the resources needed to accomplish this are not available to commercial banks, and the budget is also unable to finance these in the short term. For this reason a solution, in the

framework of which the burden is distributed in time, may come into question. Nevertheless, the action must be initiated immediately.

The first step to be taken should be the assessment of the ultimate debtors in the "standing in line" chain, the evaluation of their management. Within this group one may find a large number of enterprises which may be turned profitable, and which, in the long term, hold out the promise of being profitable. It would be appropriate to resolve their problems on the basis of selective credit practices, and by writing off loans taken out prior to 1987 which cannot be collected, and which were based neither on enterprise nor on banking decisions. The evaluation of the ultimate debtors would also reveal the group of businesses in which profitable management cannot be assured even in the long run. In these cases the only existing solution is liquidation, or the sale of these enterprises in parts.

In the present economic situation the Hungarian Economic Chamber regards the need to develop an action package plan which deals with enterprises which find themselves in a difficult situations of fundamental importance. Such difficult situation may arise as a result of reduced exports accountable for in rubles, the large-scale decline of military orders, and because of solvency problems. The action package would aim for the relaxation of tensions, it would be streamlined in the course of developing central [governmental] and enterprise concepts and measures, it would deal with all sources of tension, and it would be able to appropriately manage these.

Rescheduling our foreign debt is not permissible: Considering the present level of the country's indebtedness, a further increase in this respect should be slowed down by using any possible means. Based on mutual interest, negotiations should be started with West German and Japanese financial circles—the countries most interested in financing the country—concerning conditions under which they would convert our debt service due into property, into investments in Hungary.

Unprecedented Practice

The positive effects of the influx of foreign capital may be neutralized by the unprofessional system of benefits provided to joint enterprises. On an international comparative basis the practice by which a foreign investor may repatriate his profits acquired under favorable tax conditions, without establishing a requirement to export or to reinvest his money, is unprecedented. This situation much rather tends to scare away serious investors, and to attract opportunists. Accordingly, this system must be reexamined. The system of benefits must be maintained for all those who agree not to repatriate their profits for a period of between three and five years, and to invest their profits. Foreign investors who wish to repatriate their profits instantly should not receive any benefits at all. The foreign capitalist should be able to

freely choose between the two alternatives. Nevertheless, benefits acquired thus far should be recognized as valid until their expiration.

Transactions in which debts are traded should be initiated to manage the country's internal indebtedness. State household reform should be accelerated in order to prevent a further increase of the internal indebtedness. As part of this effort, the budgetary revenues and expenditures must be examined item by item prior to 1 July 1990. The necessity to maintain each individual item and the size of each item must be justified separately. The contents and reasons for payments made from budgeted resources, and for state loans and basic funding must be determined in detail, so as to enable the National Assembly to make decisions by 1991. In the course of an item-by-item review, a reduction in the regrouping of income by the central government is a requirement, and so is a reduction in the 1990 expenditures by a minimum of 10 billion forints.

Insofar as our external economic policy is concerned: Hungary has no choice other than to make an opening toward the global economy. Parallel with negotiations concerning the transformation of CEMA, preparation for cooperation with the partners after 1990 must be commenced, i.e. negotiations must be initiated.

Of definitive importance is the need to develop import policies which satisfy the country's energy and raw material needs. The framework and conditions for long-term cooperation with the Soviet Union, and parallel with this an alternative import policy supportive of expanded exports to developing countries must be established. This import policy must be construed in the broadest sense, starting out from the main goal, it must be supported by the exploration of comprehensive cooperative opportunities, including education, cultural, environmental protection, and other fields of endeavor.

The New System of Settlements

Two alternatives present themselves: We may take the approach of complying with Western requirements as soon as possible, or we may determine the areas in which we are satisfied with lower standards, and then gradually establish the conditions for adjustment. A definite endeavor for the realization of an immediate, full transition appears to exist on the Soviet side. Nevertheless, thus far neither party has succeeded in establishing tolerable conditions under which this may be achieved. From a practical standpoint, in the upcoming years, a cooperative form that may be illustrated with two circles, may become functional. In terms of each individual trade relationship it is relatively easy to grasp what the parties regard as strategically important products subject to trade; in this regard they will definitely endeavor to achieve balance within the first circle. Within the second circle states would make commitments only to ensure the conditions for trade, and would determine the volume of mercantile exchange and the size of the mutual balance of payments over and above which they could institute

prohibitive measures, and above which payments would be made in free foreign exchange.

First Quarter 1990 Industrial Sales Data

25000737B Budapest FIGYELO in Hungarian
24 May 90 p 4

[Text] Total industrial sales during the first quarter declined by 12 percent. Within this, exports declined by 15.6 percent, domestic sales by 10.9 percent. Within exports, sales subject to settlement in convertible currencies increased, while those payable in rubles declined significantly.

Industrial organizations employing more than 50 people had a work force of 1.248 million employees, almost eight percent fewer than a year earlier. (As a result of the growing number of small organizations the size of the total industrial work force declined to a somewhat smaller extent.) Average gross industrial wages amounted to 11,375 forints, and this amount is 25.9 percent higher than during the same period last year. Average gross wages in the electrical energy industry increased in excess of the industrial average (32.1 percent), while in the mining industry the increase did not reach the 20-percent level.

At the end of March 1990 a total of 4,510 industrial business organizations were on record. The establishment of business organizations—decisively in the form of limited liability corporations—continued. As of 31 March 1990 there were 1,773 limited liability corporations functioning; half of these were in the machine industry, 200 in the chemical industry, and 423 in the light industry. During the first quarter, 14 industrial stock corporations were established, bringing the total to 139 as of 31 March. There are 61 machine industry stock corporations, while 47 are engaged in light industry.

Industrial sales price levels during the first quarter exceeded the previous year's price levels during the same period by 18.1 percent. Domestic sales prices increased by 19.6 percent, the average increase of export sales prices in forints amounted to 13.6 percent.

Export price levels for goods sold subject to settlement in rubles increased by 2.5 percent. Considering the 5.2-percent decrease in ruble exchange rates, the prices increased by almost eight percent.

Counted in forints, export prices for transactions not subject to settlement in rubles increased by 22.7 percent. Within this, the exchange rate appreciation of the currencies of capitalist countries vis-a-vis the forint may be estimated to amount to between 19 and 20 percent.

During the previous years domestic price levels increased by about 5.9 percent. The increase between December 1989 and January 1990 amounted to 10 percent. A 3.8-percent increase was recorded between January and March 1990.

Industrial Sales Increase or Decrease by Industry

Textile industry	- 11%
Paper industry	- 9%
Pharmaceutical industry	- 5.5%
Synthetics industry	- 12%
Rubber industry	- 21.5%
Household goods mixed industry	+ 11.5%
Crude-oil-processing industry	+ 4.9%
Instrumentation industry	- 8%
Machinery manufacturing industry	- 11.5%
Metal mass products industry	- 9.5%
Transportation vehicle manufacturing industry	- 35%
Communications and vacuum technology industry	+ 4%
Iron foundry industry	- 12%
Food industry	+ 1%
Processing industry	- 9%
State industry as a whole	- 7.9%

POLAND

Central Office of Statistics Issues Census Results

90EP0585A Warsaw RZECZPOSPOLITA in Polish
1 Jun 90 pp 7-8

["Abridged Communiqué by the Central Office of Statistics on the results of the General National Census conducted on 6 December 1988"; maps omitted]

[Text]

POPULATION, HOUSEHOLDS, AND FAMILIES

1. Status and Movement of the Population

According to the data of the General National Census on 6 December 1988, the population of Poland on the day of the census came to 37,879,000. Poland ranks 7th in Europe in the number of population, next to the USSR, the FRG, Italy, Great Britain, France, and Spain.

In 10 years, that is, since the census of 1978, the population of the country grew by 2,817,000 (by 8 percent). The average rate of increment amounted to 0.77 percent and was the lowest in the entire period of postwar development. In 1971 through 1978, it stood at 0.90, and in the decades of the 1960's and the 1950's it was on the order of 0.92 and 1.76. The GUS [Central Office of Statistics] demographic forecast predicts that in the last decade of the current century the rate of increment of the population will continue to decline.

The recently reduced rates of demographic development are a consequence of the breakdown in 1984 of the previously upward trend in the number of births, the

growth of the number of deaths, and the increased negative balance of foreign migrations. In 1979, the coefficient of natural growth per 1,000 population came to 10.3, whereas in 1988 it fell to the level of 5.7, and a stable downward trend still continues. Nonetheless, this is still a quite high level of natural increment against the background of European countries. On this indicator, only three countries rank ahead of Poland (Albania, the USSR, and Yugoslavia). In some countries of Europe (in the FRG, Hungary, Denmark), a negative natural increment and a retrogression in the development of population have been registered for several years now.

The increment of 2,817,800 people registered in the years 1979 through 1988 emerged as a result of an increase in the number of urban residents by 3,024,000 (by 15 percent) and a decline in the number of rural population by 207,000 (1.4 percent).

As a result of the above changes the population of the cities in December 1988 came to 23,175,000, which accounted for 61.2 percent of the population of the country. It is worthwhile to note the fact that in 1951 the share of rural of population was at that level, and that, therefore, within almost 40 years a reversal of the ratio of the urban population to the rural population has occurred. Fifty-four percent of the increment of the number of urban population was due to the natural increment, and 41 percent was due to the positive overall balance of migration (domestic and foreign), and 5 percent was the result of the positive balance of administrative changes.

The two largest cities in Poland, Warsaw and Lodz, switched to the negative natural increment of population in the second half of the 1980's. The migration increment and administrative changes were the main factor of increases in the population of these cities. In the group of five cities with more than 500,000 inhabitants, the above cities had the lowest rate of population development.

In the second group of cities by size, with 200,000 to 500,000 inhabitants, there were 14 cities. After 1978,

Radom, Gliwice, Kielce, and Zabrze joined this group. It is noteworthy that the level of concentration of the populace in the group of (22) cities with 100,000 to 200,000 inhabitants in 1988 was the same as in 1978 (18 cities), despite an increase in their number, and amounted to 12.8 percent of the urban population. After 1978, the following cities advanced to this group: Gorzow Wielkopolski, Plock, Wloclawek, Zielona Gora, Kalisz, Koszalin, Legnica, and Jastrzebie-Zdroj.

As has already been mentioned above, the years 1979 through 1988 saw a further drop in the number of the rural population by 207,000 (1.4 percent). The last census registered 14,704,000 residents in the rural areas. In the period in question, the natural growth in the rural areas came to 1,438,000, and did not offset the losses which occurred due to outmigration and administrative changes. The rural population decreased by 160,000 due to increasing the area of cities at the expense of rural areas. Therefore, the loss of population due to the negative balance of migration came to 1,485,000.

The scale and direction of changes in the number of rural and urban populations varied widely in individual voivodships.

2. Structure of the Population by Age

In general, a considerable increase in the number of persons of nonproductive age (preproductive and postproductive) was characteristic of the years 1979 through 1988, against the background of a relatively small increment of people of productive age. The ratio of these two groups is reflected best by the coefficient of the demographic burden. In 1988, there were an average of 736 people of nonproductive age for every 1,000 people of productive age, whereas in 1978 this coefficient stood at the level of 684.

A detailed description of the changes in the age structure of the population which occurred in the years 1979 through 1988 is provided by the data in the table below:

			People of the Following Ages			
	Total ¹	Preproductive (Under 17)	Productive (Men 18-64 and Women 18-59)			Postproductive (Men 65 and Older/Women 60 and Older)
			Total	Mobile (18-44)	Immobile (Men 45-64 and Women 45-59)	
	In Thousands					
Total	37,879	11,310	21,804	15,168	6,636	4,735
Cities	23,175	6,769	13,802	9,704	4,098	2,585
Rural areas	14,704	4,541	8,002	5,464	2,538	2,150
	Year 1978 = 100 Percent					
Total	108	112.5	104.8	105.3	103.7	113.3
Cities	115	125	109.9	108.4	113.6	119.6
Rural areas	98.6	97.9	97	100.2	90.8	106.7

			People of the Following Ages			
	Total ¹	Preproductive (Under 17)	Productive (Men 18-64 and Women 18-59)			Postproductive (Men 65 and Older/Women 60 and Older)
			Total	Mobile (18-44)	Immobile (Men 45-64 and Women 45-59)	
	In Percent					
Total 1978	100	28.7	59.4	41.1	18.3	11.9
Total 1988	100	29.9	57.6	40.1	17.5	12.5
Cities 1978	100	26.9	62.4	44.5	17.9	10.7
Cities 1988	100	29.2	59.6	41.9	17.7	11.2
Rural areas 1978	100	31.1	55.4	36.6	18.8	13.5
Rural areas 1988	100	30.9	54.5	37.2	17.3	14.6

¹In the subsequent distribution, individuals whose ages have not been determined are omitted.

The large absolute and relative increments in the number of population of preproductive age are particularly noteworthy. In 1988, this group increased by 1,256,000 (12.5 percent) compared to 1978. Its share in the overall number of populace increased from 28.7 to 29.9 percent. This increment is the result of small contingents of the 1960's low leaving this group, and a higher level of births in the early 1980's. It should be kept in mind that the high contingents born in the 1970's were also a part of this group, and that they were the ones to begin, in this decade, a high in elementary schooling which will persist until almost the end of the next decade, with pressure gradually declining. The peak number of children in elementary schools, between 7 and 14 years of age, will occur in the years 1991 through 1993. In 1988, their number amounted to 5,139,000 and was higher by 1,028,000, or by 25 percent, than in 1978. In turn, in the zenith of the high, in 1992 their number will amount to 5,371,000. With the high in elementary schooling still mounting, a simultaneous high of young people in schools above the elementary level began in the late 1980's. The high in the schools of these levels will continue until the end this century.

In the years 1979 through 1988, the small contingents of those born in the 1960's shifted to the group of productive age, and this was the factor determining the relatively low increase in the number of people in this group. Compared to the previous census, this group increased by 994,000 people, which in relative numbers amounts to an increment of about 4.8 percent. The small magnitude of this increment is to a great degree the result of the increasing scale of foreign emigration in the 1980's which, naturally included mostly the people of productive age.

The shifting of low and high contingents has caused considerable fluctuation in the number of people in the segregated groups of production age. The most profound changes due to this occurred in the young age group (18 to 29 years) and among people in the 30 to 44 age

bracket. In 1988, the number of young people representing the contingents born in the 1960's was 1,602,000 (20.2 percent) smaller than in 1978. Meanwhile, the group of people in the 30 to 44 years age bracket increased radically, by as many as 2,360,000 people (36.4 percent) due to the "upward" shift of high contingents. The oldest, immobile group of productive age (45 to 59 or 64 years) stagnated to some degree over this period of time, and increased by only 235,000 (3.7 percent). As a result of the above changes, the population of productive age, which is considered to be the potential labor force, declined.

To be sure, in the last decade of this century and in the initial years of the next century the increment of the population of productive age will be abundant; however, this will continue to be accompanied by the unfavorable phenomenon of the aging of this populace. Beginning in 1994, high contingents of those born in the 1950's will begin to augment the oldest, immobile group of productive age. Its absolute and relative strength will begin to increase at a very rapid pace while the trend in the youngest mobile group will be downward.

Between 1979 and 1988, the great relative increase in the number of people of postproductive age was a worrisome phenomenon. In 1988, their number increased by 556,000 (13.3 percent) compared to 1978, and their share in the total number of the population increased from 11.9 to 12.5 percent. Therefore, the process of the aging of the population is still under way, and there are no grounds for this process to slow down in the foreseeable future.

The much higher degree of advancement of the process of population aging in rural areas compared to the cities is one of the most characteristic features of the evolution of the age structure of the populace of Poland. In 1988, the aging index expressing the ratio of people 60 years of age and over to 1,000 people aged 0 to 19 years amounted to 504 for the rural population and 410 for the urban population.; in 1978, the index was at 436 and 389.

Despite a decline in total population, the number of people of productive age in the rural areas increased in the decade in question by 132,000 (6.7 percent). To be sure, the rate of this growth was three times lower than in the cities (19.6 percent) but changes in the ratio of these people to total population were more profound in the rural populace. The share of people of productive age increased from 13.5 to 14.6 percent among the rural populace whereas among the urban populace from 11.9 to 12.5 percent. These levels of ratios were due to the fact that, unlike in the cities, in the rural areas the number of people of preproductive age declined (by 96,000, or 2.1 percent), as well as that of the people of production age (247,000, or three percent).

As far as the group of children of elementary-school age is concerned, in the rural areas its increment was minimal (25,000, or 1.3 percent), and, therefore, the high in the schools referred to above developed only in the cities.

3. Feminization Coefficient

Compared to 1978, the surplus of women over the number of men increased from 902,000 to 950,000; however, on the scale of the country there were still 105 women per 100 men.

In the cities, this coefficient amounted to 108 women (108 in 1978), and in the rural areas 100 (101 in 1978). The higher level of the coefficient in the cities compared to the rural areas is influenced to a considerable degree by the continuing numerical prevalence of women among the people migrating from the rural areas to the cities (for example, in 1988—114,000 men and 120,000 women). The above sex and age breakdown of migrants is responsible for the surplus of the number of women over that of men occurring in the cities for 21 years, and in the rural areas for 46 years.

The coefficient of feminization in the group of people exhibiting the greatest mobility (in 1988, people in the 25 to 34 age bracket accounted for 45.3 percent of migrants) amounted respectively to 105 in the cities and 85 in the rural areas.

Differences among the voivodships are the most pronounced in the 20 to 34 age bracket. Considering this issue separately for the cities and the rural areas, we find that a shortage of women occurred only in the cities of Katowice Voivodship where there were 96 women per 100 men. This situation is the result of, among other things, the structure of employment in this voivodship which is characterized by the high share of so-called male professions due to the mining industry which is developed in this area. The highest coefficients for this age group were registered in the cities of Zamosc Voivodship (115) and Chelm Voivodship (114).

The coefficient of feminization of people aged 20 to 34 years in rural areas was completely different. In all voivodships, it was below 100. Exceptionally low coefficients are registered in the following voivodships: Bialystok (72), Lomza (75), Ostroleka (78), and Suwalki (78). The smallest shortages of women occurred in Warsaw (97), Poznan (92), Bielsko Biala (91), and Katowice (91) Voivodships.

Unfavorable sex ratios, especially in the eastern voivodships, are primarily due to the excessive migration of young women to the cities. A low natural increment in these areas and the advancing process of the aging of the populace, which is manifested by a high share of the populace of postproductive age and a not-too-high share of the people of a younger age, are the consequences of this process.

4. Civic Status

Changes in the breakdown of the population (15 and older) by civic status are a natural consequence of changes in the age structure, as shown by the table below:

		Total ¹	Single	Married	Widowed	Divorced
		In Thousands	In Percent			
Total	1978 m	12,800	29.2	66.8	2.4	1.6
	1978 f	13,894	21.8	61.8	13.8	2.6
	1988 m	13,554	27.4	67.8	2.9	2.2
	1988 f	14,715	19.1	62.8	14.7	3.4
Cities	1978 m	7,399	28.1	67.6	2.1	2.2
	1978 f	8,307	22.8	60.5	13.1	3.6
	1988 m	8,211	25.2	69.3	2.6	2.9
	1988 f	9,271	19.8	61.9	13.7	4.6
Rural areas	1978 m	5,401	30.7	65.6	2.9	0.8
	1978 f	5,587	20.3	63.8	14.9	1
	1988 m	5,343	30.1	65.5	3.2	1.2
	1988 f	5,444	17.8	64.4	16.5	1.3

¹m—males; f—females

Compared with the data of the 1978 General National Census, in 1988 the share of single males dropped by 2.1 points and the number of single females by 2.1 points, whereas the share of other categories of the population increased. The high percentage share of widows in the total number of women, 14.7 percent (in 1978, 13.8 percent) caused by the higher death rate of men compared to that of women, is noteworthy. The decline in the shares of single males and females is the result of contingents of the demographic low, that is, those born in the 1960's, moving into adult age. Similar trends in changes have occurred in the spatial system cities-rural areas.

If we distinguish the 18-to-29-year age bracket, in the cities there were 73 single females per 100 single males (in 1978, 75), and in the rural areas, 51 single females (in 1978, 54).

Single males residing in the cities on the territories of voivodships marked by the prevalence of male professions in the structure of employment have the greatest difficulty finding a wife in Katowice (per 100 single males in the 18 to

29 age bracket there were only 57 single females of that age), Walbrzych (64), and Legnica (65). The highest coefficients were registered in the following voivodships: Torun (90), Bialystok (89), and Zamosc (89).

In rural areas throughout the country, there were 51 single females, that is, 22 single females fewer than in the cities per 100 single males aged 18 through 29.

Taking into account differences in this coefficient in individual voivodships, we should stress that it was below the national level in the rural areas of as many as 28 voivodships. The greatest shortages of single women occurred in eastern voivodships of which a high share of rural populace is characteristic: Lomza (37), Bialystok (38), Suwalki (40), and Ostroleka (42).

5. Education

In the years 1979 through 1988, further dynamic growth of the educational level of the populace occurred. Changes in the structure of population 15 years old and older are shown in the table below.

Education	Total		Cities		Rural Areas		Total	Cities	Rural Areas
	1978	1988	1978	1988	1978	1988	1978 = 100 Percent		
	In Thousands								
Total	126,694	28,269	15,706	17,481	10,988	10,788	105.9	111.3	98.2
	As Percentage of All Population Age 15 and Older								
Higher	4.5	6.5	7	9.4	1	1.8	152.9	149.7	186
Secondary ¹	19.9	24.8	27.6	31.9	8.9	13.2	132	128.9	145.8
Basic vocational	17.4	23.7	18.4	23.3	16	24.3	144	141.1	148.9
Primary ²	45.8	38.9	41	32.5	52.5	49.4	90.1	88.1	92.4
Incomplete primary or no school education	12.4	6.1	6	2.9	21.6	11.3	52.1	53.9	51.3

¹Includes postsecondary school and incomplete higher education

²Includes incomplete secondary (general and vocational) education

After 1978, the number of people with an education above the elementary level increased from 11,118,000 in 1978 to 15,484,000 in 1988. As a result of these changes, in 1988 more than half of the population 15 years of age and over (55 percent of all population, and, in 1978, 41.8 percent) had an education above the elementary level. At the same time, the number of people with an incomplete elementary education and without a school education declined considerably, by about 1,600,000 (by 52.1 percent). This is primarily due to the fact that this contingent consists mainly of people of the older generation among whom the death rate is the highest.

From the point of view of the level of education by sex, in the cities in 1988 the share of men with an education above the elementary level amounted to 69.5 percent (in

the rural areas 44.3 percent), and that of women to 60.4 percent (in the rural areas 34.4 percent).

In the cities, people with secondary vocational educations dominated among men (age 15 and over)—31.5 percent—and, among women, there were 36 percent with secondary educations.

The situation is different in the rural areas where people with elementary education are the largest group among both men and women: men—47.3 percent; women—51.5 percent.

6. Sources of Income

In the years 1979 through 1988, substantial shifts occurred in the breakdown of population by source of income.

This phenomenon is reflected in the data contained in the table below:

			Professionally Active			Professionally Inactive				
				Main Source of Income						
		Overall	Total	Work	Nonwage Source	Total	With a Nonwage Source Only	Dependents	Dependents per 1,000 Persons With Their Own Sources of Support (Item 7 Over the Sum of Items 2 and 6)	Professionally Inactive per 100 Professionally Active (Item 5 Over Item 2)
		1	2	3	4	5	6	8	9	
	In Thousands									
Total	1978	35,061	17,962	17,509	453	17,099	3,591	13,508	627	95
	1988	37,879	18,452	17,518	1,234	19,427	5,573	13,854	577	105
Cities	1978	20,150	9,922	9,764	158	10,228	2,655	7,573	602	103
	1988	23,175	10,703	10,294	409	12,472	3,879	8,593	589	117
Rural areas	1978	14,911	8,040	7,745	295	6,871	936	5,935	661	85
	1988	14,704	7,749	6,924	825	6,955	1,694	5,261	557	90
	1978 = 100									
Total		108	102.7	98.3	272.5	113.6	155.2	102.6	92	110.5
Cities		115	107.9	105.4	258.7	121.9	146.1	113.5	97.8	113.9
Rural areas		98.6	96.4	89.4	280	101.2	181	88.6	84.3	105.9
	In Percent									
Total	1978	100	51.2	49.9	1.3	48.8	10.3	38.5	x	x
	1988	100	48.7	45.4	3.3	51.3	14.7	36.6	x	x
Cities	1978	100	49.2	48.4	0.8	50.8	13.2	37.3	x	x
	1988	100	46.2	44.4	1.8	53.8	16.7	37.1	x	x
Rural areas	1978	100	53.9	51.9	2	46.1	6.3	39.8	x	x
	1988	100	52.7	47.1	5.6	47.3	11.5	35.8	x	x

The number of those maintaining themselves mainly by working dropped in absolute numbers from 17,509,000 to 17,218,000, that is, by 1.7 percent, whereas the number of those maintaining themselves mostly from a nonwage source of income increased from 4,044,000 to 6,807,000, that is, by 68.3 percent.

In 1988, people receiving retirement benefits by virtue of work (38.7 percent), disability benefits by virtue of labor related injuries (28.4 percent), and retirement benefits and annuities for surrendered farms (15.4 percent) were the largest groups of those maintaining themselves mostly from nonwage sources in 1988.

While the total number of those gainfully employed increased little, the percentage of those gainfully

employed whose main source of income was nonwage has increased substantially from 2.5 to 6.7 percent. Retirees accounted for 51.5 percent of the total of working "nonwage earners," and those receiving disability benefits for 36.7 percent.

The increment of the number of gainfully employed came to 490,000 whereas of those professionally inactive to 2,328,000 (13.6 percent). This high increment of the professionally inactive consists primarily of an increase in the number of persons who have only a nonwage source of income from 3,591,000 to 5,573,000, that is, from 21 percent to 28.7 percent of the professionally inactive. The directions of changes in the breakdown of the population by source of support are generally similar

in the cities and in the rural areas, the difference being mainly in the intensity of changes. For example, the share of people who support themselves only or mainly from a nonwage source of support increased less in the cities than in the rural areas, respectively from 22.4 percent to 29.4 percent and from 13.7 percent to 26.7 percent. This is certainly due primarily to the considerable expansion of retirement benefits and annuity entitlements for individual farmers.

7. Gainful Employment of the Populace

There is a considerable degree of mutual dependence between the structure of the population by source of income and the movement of the level of gainful employment of the people measured usually as the percentage of

those employed in the number of people potentially capable of embarking on gainful employment (age 15 and over).

The overall coefficient of gainful employment (the share of gainfully employed among the populace 15 and older) dropped from 67.3 in 1978 to 65.2 in 1988; in the cities, it dropped from 63.2 to 61.2, and in the rural areas it dropped from 73.2 to 71.8.

Changes in the level of the coefficient of gainful employment in the years 1978 through 1988 were considerably differentiated by sex and age.

The levels of the coefficient of gainful employment of men and women aged 15 and over within specific age brackets are shown in the table below:

Sex and Age	Total		Cities		Rural Areas	
	1978	1988	1978	1988	1978	1988
Gainfully Employed per 100 Persons of Given Sex and Age Bracket						
Male	76.6	74.3	73.4	66.3	81	80.4
15-17 years	7.5	3.9	4.1	2.2	12.1	6.9
18-19 years	58.3	52.6	50	41.9	70.1	67.6
20-24 years	82.7	79	78.1	70.5	89	90.3
25-29 years	96.2	94.3	95.6	92.4	97.2	96.9
30-34 years	97.1	96.1	97.1	95.7	97.2	96.9
35-39 years	96.2	95.6	96.1	95.2	96.4	96.2
40-44 years	94.8	94.1	94.2	93.4	95.7	97.2
45-64 years	84	75.2	79.1	68.4	90.1	85.7
65 and over	34.9	32.5	13.5	16.3	54.3	49.3
Female	58.7	57	54.1	53.2	65.6	63.5
15-17 years	5.2	2.4	2.4	1.2	8.9	4.3
18-19 years	43.2	41.7	35.1	32.8	54.8	54.6
20-24 years	68.4	64	65.2	58.5	73.6	72.5
25-29 years	75.1	70	76.2	69.5	73.2	70.7
30-34 years	79.5	76.7	79.4	76.3	79.7	77.4
35-39 years	81.9	83	80.5	82.1	84.3	85
40-44 years	82.7	85.5	80.4	84	86.5	89
45-59 years	70.1	67	61	59.7	82.1	79.4
40 and over	23.3	23.6	7.2	10.3	42.1	40.8

The level of these coefficients dropped considerably for almost all age groups of men in the cities and in the rural areas, especially among teenagers and young people and the people in older productive age groups. In the first case, this may be mainly associated with increases in the percentage of young people going to school, as was the case before. In the second case, greater opportunities for early retirement and the greater incidence of disabilities among older contingents of men of productive age definitely were the main factors.

The development of the system of leaves and child-care allowances in the years 1979 through 1988 created an

opportunity for the temporary withdrawal of young women (most frequently in the 25 to 34 age bracket) from work which definitely was the main reason for a decline in their professional activities. At the same time, gainful employment among women in the 35 to 49 age bracket, and in the cities in the 35 to 54 age bracket, has increased. The women came back to work after rearing small children. This is particularly obvious if the gainful employment rate of the same generation of women in 1978 and in 1988 are compared. For example, the rate of gainful employment of women who were between 25 and 29 years of age in 1978 amounted at the time to 75.1 percent, whereas 10 years later, when they were between

35 and 39 years of age, it was 83. It is noteworthy that similar changes occurred not only in the cities but also in the rural areas where leaves and child-care allowances are less common.

8. Gainful Employment Outside of Agriculture and in Agriculture

In the last decade, further shifts have occurred in the structure of the gainfully employed between those employed outside agriculture and in agriculture, as shown by the table below:

			Outside of Agriculture			In Agriculture			
		Overall	Total	Sector		Total	Sector		Share of Those Gainfully Employed in Agriculture
				Socialized	Nonsocialized		Socialized	Nonsocialized	
Total (in thousands)	1978	17,962	12,663	12,207	456	5,299	1,017	4,282	29.5
	1988	18,452	13,449	12,297	1,152	5,003	935	4,068	27.1
	1978 = 100	102.7	106.2	100.7	252.6	94.4	91.9	95	x
Cities (in thousands)	1978	9,922	9,394	9,055	339	528	270	258	5.3
	1988	10,703	10,048	9,156	892	655	288	367	6.1
	1978 = 100	107.9	107	101.1	262.9	124	106.5	142.3	x
Rural areas (in thousands)	1978	8,040	3,269	3,152	117	4,771	747	4,024	59.3
	1988	7,749	3,401	3,141	260	4,348	647	3,701	56.1
	1978 = 100	96.4	104.1	99.7	222.6	91.1	86.6	92	x

The direction of changes was the same as in the previous period between censuses (1970-78); however, the rate of changes was considerably slower. The number of the gainfully employed outside agriculture increased by 6.2 percent and those gainfully employed in agriculture declined by 5.6 percent (in the previous eight-year period, it was respectively an increase of 20.3 percent and a decline of 17.5 percent). As a result of these shifts, the share of those gainfully employed in agriculture dropped from 29.5 percent in 1978 to 27.1 percent in 1988 (in 1970, it amounted to 37.9 percent).

The number of the gainfully employed outside agriculture and working in the socialized sector increased minimally, whereas in the private sector it increased by a factor of more than 2.5 to the level of 1,152,000. Despite this increase, the private sector outside agriculture employed in 1988 only 8.6 percent of the entire number of gainfully employed outside agriculture, whereas in 1978—3.6 percent. In agriculture, the decline proceeded somewhat faster in the socialized sector than in the individual sector.

People employed simultaneously in and outside agriculture were an appreciable group among all those gainfully employed. Before 1970, the strength of this group increased very rapidly. Between 1970 and 1978, it remained basically unchanged whereas in the decade in question it increased from 1,146,000 to 1,418,000. In 1988, one resident of individual farms 15 years or older

in five had a nonwage source of support (mainly a retirement benefit or annuity).

9. The Handicapped

The population of the handicapped was distinguished in a manner similar to the previous census by a question on legal disability or the fact of belonging to a proper disability category assigned by the Commission for the Issues of Disability and Employment, as well as by a question on biological disability interpreted as a complete or considerable restriction of the opportunity to perform basic life functions associated with the corresponding age.

In 1988, 3,735,000 handicapped individuals were found in the country, which amounted to 9.9 percent of the population. This means that one resident of Poland in 10 was handicapped, whereas in 1978 one in 14.

The number of the handicapped increased in 10 years by 1,250,000 (50.3 percent) in the course of which the number of persons recognized to be legally handicapped increased by 1,329,000 (68.5 percent), and the number of only biologically handicapped dropped by 79,000 (14.2 percent).

The status and changes in the number of the handicapped are shown by the data contained in the table below:

				Legally Handicapped				
		Total	Per 1,000 Persons	Overall	By Disability Category			Biologically Handicapped Only
					I	II	III	
		In Thou- sands		In Thousands				
Total	1978	2,485	71	1,929	306	869	754	556
	1988	3,735	99	3,258	542	1,370	1,346	477
	1978 = 100	150.3	x	168.9	177.5	157.7	178.4	85.8
Cities	1978	1,546	77	1,287	222	577	488	259
	1988	2,278	98	2,016	359	855	802	262
	1978 = 100	147.4	x	156.7	162	148.1	164.2	101
Rural areas	1978	939	63	642	84	292	266	297
	1988	1,457	99	1,242	183	515	544	215
	1978 = 100	155.2	x	193.6	218.4	176.8	204.2	72.4

The high relative growth of the incidence of disability in the rural areas (by 55.2 percent) was a characteristic feature of that decade; most importantly, it occurred only in the group of the legally disabled (93.6 percent). Meanwhile, a decline in the strength of the group of only biologically disabled was registered (by 27.6 percent). The development of the incidence of disability in the rural areas was particularly strong among women. The number of women who had the status of legally disabled increased by as much as 138.4 percent.

Relatively speaking, the growth of the overall number of the disabled was lower in the cities (47.4 percent), and the number of the legally disabled also increased to a lesser degree (56.7 percent). In turn, the group of only biologically disabled increased minimally (by 1 percent), unlike the rural areas.

The high growth of the number of the legally disabled and differences in its rate among urban and rural populace are, among other things, consequences of the introduction of more liberal regulations on granting the disability status, especially category 3, and giving individual farmers and members of their families the right to use social security. This widened the scope of people seeking disability benefits which should be preceded by the legal recognition of disability.

As a result, the incidence of disability per 1,000 rural residents increased from 63 to 99 disabled and exceeded

the level of the incidence of this phenomenon in the cities, where the coefficient analyzed changed during this period of time from 77 to 98.

The sources of income for the disabled are a separate issue. In 1988, an overwhelming majority of the disabled, 90.5 percent, had a nonwage source of income (disability benefit, retirement benefit, family annuity, and so on). Work was the only source of income for 5.9 percent of them, and only 3.6 percent of them were maintained only by their families.

One in four handicapped who had a nonwage source of income worked at the same time.

The total number of the disabled who were gainfully employed amounted to 975,000 (26.1 percent of the total number of the disabled); in 1978, it was 545,000 (21.9 percent). For obvious reason, the disabled of category 3 (50.2 percent of the handicapped who were gainfully employed) and individuals of category 2 dominated in this group.

10. Households and Families

According to the principles accepted for censuses, a household consists of a group of people who live together and have common housekeeping.

General data on the households and populace in the households are as follows:

	Households			Population in Households			Average Number of Persons per Household	
	1978	1988	1978 = 100	1978	1988	1978 = 100	1978	1988
	In Thousands			In Thousands				
Total	10,948	11,970	109.3	34,095	37,114	108.9	3.11	3.10
Cities	6,790	7,864	115.8	19,328	22,518	116.5	2.85	2.86
Rural	4,158	4,106	98.8	14,767	14,596	98.8	3.55	3.55
Including those with the user of an individual farm	2,354	2,434	103.4	9,122	9,285	101.8	3.88	3.82

By the end of 1988, 11,970,000 households existed in Poland to which 98 percent of the population of the country belonged. In the years 1979 through 1988, the number of households increased by 1,022,000, or by 9.3 percent, and the entire increment of this group occurred in the cities and amounted to 1,074,000 (15.8 percent).

Rural households had a greater average number of persons (3.55 persons) than households in the cities (2.86). Among rural household, households including a user of an individual farm were the most numerous (3.82).

In the overall group of households, multiperson households prevailed—9,783,000 (81.7 percent of all households).

The share of this type of household was considerably higher in the rural areas—85.5 percent (in the cities 79.7 percent). Households with two and four members dominated among multiperson households both in the cities and in the rural areas. Their shares were respectively 23.5 and 23.2 percent of the entirety of households in the cities and somewhat lower in the rural areas, 20 percent and 19.8 percent. The phenomena of creating households with family members belonging to two or more generations was more than two times as frequent in rural areas.

	Total		Cities		Rural Areas	
	1978	1988	1978	1988	1978	1988
Average size of family	3.31	3.28	3.16	3.17	3.51	3.46

The rural family was larger than the urban family, as in the previous census, which was due to the still considerably higher fertility of rural women. (The fertility coefficient of women determined by the number of live births per 1,000 women between 15 and 49 years of age for the years 1979 through 1988 amounted to 63 for women in the cities and 91 in the rural areas).

The number of one-person households in the country came to 2,188,000 (18.3 percent), and it increased by 284,000 (14.9 percent) since 1978. They merit particular attention primarily due to the age and sex structure of the persons in households of this type. Throughout the country 51.8 percent of the total number of one-person households consisted of people who were at least 60 years old, and almost 42 percent of these households consisted of women who were 60 or older. Since 1978, the number of households in this group has increased by 232,000 (25.9 percent).

Family households accounted for more than 80 percent of all multiperson households in the country. Households consisting of one family prevailed in this group accounting for 93.6 percent of all family households (in 1978—95.3 percent). The share of two-family households amounted to 6.2 percent (in 1978—4.6 percent), whereas the share of households consisting of three or more families was only 0.2 percent (in 1978—0.1 percent).

By the end of 1988, the number of families in the country came to 20,226,000 out of which 62.2 live in the cities. In the course of the decade, this group increased by 907,000 which consisted of an increase in the number of families in the cities by 918,000 (by 16.9 percent) and a decline in their number in the rural areas by 11,000 (by 0.3 percent).

The average number of people in a family was as follows:

Four types of families: married couples without children, married couples with children, mothers with children, and fathers with children were distinguished on the basis of the principles adopted for the census.

Data in the table below show the status, growth rates, and structure of families by type:

Rubric	1988		1978	1988
	In Thousands	1978 = 100	In Percent	
Total	10,226	109.7	100	100
Families without children	2,329	111.8	22.3	22.8
Families with children	6,323	105.6	64.3	61.8
Mothers with children	1,396	126	11.9	13.7
Fathers with children	178	128	1.5	1.7
Cities	6,364	116.9	100	100
Families without children	1,418	120.1	21.7	22.3
Families with children	3,874	112.2	63.4	60.9
Mothers with children	958	131.8	13.3	15
Fathers with children	114	133.9	1.6	1.8
Rural areas	3,862	99.7	100	100
Families without children	911	101	23.3	23.6
Families with children	2,449	96.6	65.5	63.4
Mothers with children	438	115	9.8	11.3
Fathers with children	64	118.7	1.4	1.7

The number of dependent children differed greatly depending on the type of family. In the country as a whole, 42.9 percent of married couples had two dependent children, 36.6 percent had one child, and 20.4 percent had three children or more. Fewer children were maintained by single-parent families. Almost 64 percent of such families had one dependent child, and fewer than nine percent had three or more children.

As many as 30.1 percent of married couples had at least three dependent children, and almost as many, 31.5 percent, had two dependent children.

HOUSING STOCK AND HOUSING CONDITIONS

1. Status and Development of the Housing Stock

The occupied housing stock of the country indicated in the 1988 General National Census included 10.7 million apartments with the useful floor space of 633.1 million square meters and 36.3 million rooms. This stock housed

permanently 37.1 million people. The census registered a total of 0.7 million people, or 0.2 percent of the total population, outside apartments, i.e., on temporary premises, in mobile units, and collective-residence facilities (i.e., factory dormitories, boarding schools, orphanages, social security homes, convents, etc.).

The number of registered apartments which were not inhabited was 370,000, out of which apartments scheduled for tearing down accounted for 41,000, i.e., 11 percent.

Per 1,000 of the population, there were 283 apartments in Poland, whereas in Bulgaria in the same year this statistic stood at 370, in Hungary at 374, in Czechoslovakia at 376, in Austria at 431, in Denmark and the FRG at 450, in France at 456, and in Switzerland at 480.

The inhabited housing stock and population in the apartments broken down by the cities and rural areas were as follows:

	Apartments	Rooms	Useful Floor Space of Apartments (in Square Meters)	Population in Apartments
	In Thousands			
Total	10,716.8	36,286.6	633,107.2	37,129.1
Cities	7,039.8	23,142.4	378,455.1	22,531.9
Rural areas	3,677	13,144.2	254,652.1	14,597.2

Almost two-thirds of the inhabited apartments are in the cities, and somewhat more than one-third are located in the administrative territory of villages. The ratios of housing stock in the cities and in the rural areas

expressed in terms of the number of rooms and square meters of useful floor space of apartments indicate a somewhat lower surplus of the housing stock located in the cities over that situated in the rural areas.

The rate of growth of the inhabited housing stock in 1979 through 1988 exceeded that of the growth of the populace in apartments on all indicators studied, i.e., apartments, rooms, and useful floor space. This regularity is observed

both in the cities and in the rural areas. The useful floor space of apartments increased the most, followed by the number of rooms, and then by the number of apartments. The corresponding statistics are as follows:

	Increment in the Years 1979-88			1978 = 100		
	Total	Cities	Rural Areas	Total	Cities	Rural Areas
	In Thousands					
Apartments	1,390.7	1,259	131.7	114.9	121.8	103.7
Rooms	6,911	5,406.1	1,504.9	123.5	130.5	112.9
Useful floor space (in square meters)	130,457.8	93,197.8	37,260	126	132.7	117.1
Population occupying apartments	3,018.3	3,029.6	11.3	108.8	115.5	99.1

Between 1979 and 1988, the rural areas accounted for a somewhat greater share of the overall increment of the housing stock compared to the previous period between censuses. This was the most pronounced with regard to the number of apartments in which the share of the increment grew from 7 to 9.5 percent, and to the useful floor space of apartments in which the respective share grew from 26.4 percent to 26 percent.

The average annual increment of apartments in the years 1979 through 1988 amounted to 139,100, and was lower than in the 1971 through 1978 period when it amounted to 155,600. However, the average annual increment of

useful floor space was higher; in the last decade it amounted to 13 million square meters whereas in the previous period it was 11.6 million square meters.

A considerable segment of the housing stock of the country is located in large cities. Fourteen percent of the apartments in the country and 21 percent of the apartments in stock of all cities are located in the five largest cities: Warsaw, Krakow, Lodz, Poznan, and Wroclaw.

The share of the housing stock of large cities and the largest cities and their growth rates are shown by the table below:

	Share of Cities With 200,000 or More Inhabitants (in Percent)				1978 = 100	
	Of National Totals		Of Totals for All Cities		Apartments	Population in Apartments
	Apartments	Population in Apartments	Apartments	Population in Apartments		
Cities with 200,000 or more inhabitants	25.8	22.3	39.2	36.7	129.1	120.5
Of which:						
500,000 or more	14	11.7	21.3	19.2	114.5	106.7
200,000-499,999	11.8	10.6	18	17.5	152.1	140.5

During the last decade the rule was that the rate of growth of useful floor space in apartments in both cities and rural areas exceeded the rate of growth of the rooms, and the rate of growth of rooms exceeded the rate of growth of apartments. As a result, the average number of rooms per apartment in our country increased from 3.15 in 1978 to 3.39 in 1988, and the useful floor space increased from 53.9 to 59.1 square meters. Apartments in the cities continue to be smaller than in the rural areas. The average number of rooms per apartment increased in the cities from 3.7 to 3.29, whereas in the rural areas it increased from 3.28 to 3.57.

The average useful floor space of apartments in cities increased from 49.3 square meters to 53.8 square meters, and in rural areas from 61.3 square meters to 69.3 square meters.

2. Quality of the Housing Stock

Most of the housing stock was erected in the postwar period. Apartments in buildings built since 1944 amount to 69.5 percent of the entire stock. Compared to the 1978 census, their share increased by 11.6 percent. This was the result of, on the one hand, performance of housing construction, and on the other hand, natural losses and

demolition, especially of the old stock. Postwar stocks amount to 72.2 percent of all apartments in the cities and 64.5 percent in the rural areas. Apartments in buildings erected before 1918 still account for 13.9 percent of all apartments in the cities and 13.8 percent in the rural areas.

The newest buildings, that is, those built in the last decade, account for 21 percent of all apartments in the cities and 14.2 percent in the rural areas.

The census data indicate that rural stocks are older than those in the cities. This is also confirmed by the approximate calculation of the average age of apartments which show it to be about 36 years for the rural areas and about 30 years for the cities.

An overwhelming majority of the housing stock is located in buildings with walls made of noncombustible materials. They account for 91 percent of all apartments. Compared to the 1978 census, this share increased by 5.2 percent. In the cities, apartments in such buildings account for 97 percent of all apartments whereas in the rural areas for 79.4 percent.

Apartments in buildings with the walls made of combustible materials are more common in the villages than in the cities. Their share is greater, both in the cities and the rural areas, in older stock, that is, stock built before 1945 and in the years 1945 through 1960. For buildings

erected before 1945, the share of apartments in combustible buildings amounted to 7.7 percent in the cities and 28.6 percent in the villages, whereas in the buildings erected between 1945 and 1960 the share amounted to 5.4 percent in the cities and as much as 39.4 percent in the rural areas. In the stocks built in the last decade, the percentage in question dropped to the level of 0.3 percent in the cities and 3.9 percent in the rural areas.

A substantial improvement in the provision of amenities in apartments also occurred in the last decade. The degree of improvement is considerably greater in the rural areas compared to the cities. The increment of apartments with amenities is higher than the increment of the number of apartments in general which indicates that the improvement was due not only to commissioning new apartments but also, as is very obvious, especially in the rural areas, the modernization of housing built in earlier periods. However, rural apartments continue to have positively fewer amenities than those in the cities, despite very favorable changes in the equipment of the former.

Running water is the amenity which is the most common in apartments and, to a lesser degree, a toilet, a bathroom, running hot water, and central heating. Piped gas is the hardest to find, as it is available in one apartment in two.

The situation with amenities and changes in this situation in the years 1979 through 1988 are shown in the table which follows:

		Total	Of Which Apartments With					
			Running Water	Toilet	Bathroom	Running Hot Water	Central Heating	Piped Gas
In Thousands								
Cities	1978	5,780.9	5,024.7	4,199	3,938.7	3,681.2	3,278.7	3,427.5
	1988	9,039.8	6,678.9	5,976.4	5,797.6	5,641.2	5,123.4	4,994.2
Rural areas	1978	3,545.3	1,261.9	730.1	849.7	825.5	595.7	51.9
	1988	3,677	2,346	1,687	1,865.3	1,826.1	1,456	203.9
Percent of Total								
Cities	1978	100	86.9	72.6	68.1	63.7	56.7	59.3
	1988	100	94.9	84.9	82.4	80.1	72.8	70.9
Rural areas	1978	100	35.6	20.6	24	23.3	16.8	1.5
	1988	100	63.8	45.9	50.7	49.7	39.6	5.5
1978=100								
Cities		121.8	132.9	142.3	147.2	155.2	156.3	145.7
Rural areas		103.7	185.9	231.1	219.5	221.2	244.4	393

Taking a comprehensive view of the availability of amenities in apartments, the results of the census indicate that in the last decade a marked improvement in the degree of availability of a set of amenities also occurred. A set of basic amenities, that is, running

water, toilet, bathroom, central heating, and gas are found in one apartment in two, whereas in 1978 it was in one apartment in three. Still, 15.8 percent of all apartments do not have running water, and 12.9 percent have no amenities.

The degree of availability of amenities is considerably higher in the cities than in the rural areas. The structure of

apartments in terms of the availability of amenities is as follows:

	Total		Cities		Rural Areas	
	1978	1988	1978	1988	1978	1988
	As Percentage of All Apartments					
Total	100	100	100	100	100	100
Of which:						
With running water, toilet, and bathroom	49.4	69	67.7	81.4	20	45.1
With central heating and gas	33.5	50.3	50.2	66.3	6.7	19.6
With running water (without toilet and bathroom)	14.5	12.7	14.3	10	15	17.9
Without running water	32.6	15.8	12.8	5.1	64.2	36.2
Without any amenities	27	12.9	9.3	3.6	55.2	30.7

3. Form of Ownership of the Housing Stock

In the cities, 36.7 percent of the apartments belong to housing cooperatives, 27.7 percent belong to the organs of state administration. One-tenth of the stock belongs to the category of "other socialized units," and 23.6 percent belong to private individuals.

In the rural areas, most of the housing stock, i.e. 81.6 percent of all apartments, belongs to private persons. Socialized units other than housing cooperatives and the local organs of state administration account for a considerable share, 14.3 percent of all apartments, among the rest of the apartment owners.

Compared to the 1978 census, the structure of housing stock by the form of ownership has changed considerably in the cities and little in the rural areas. In the cities, the share of stock belonging to the housing cooperatives increased by 9.5 percent with a simultaneous decline of 5.1 percent in the share of apartments of the local organ of state power, and a decline of 5.2 percent in the share of private apartments. This situation is a consequence of preferences for the cooperative construction of multi-family dwellings dating back to the 1960's; the extent and amount of preferences for other kinds and forms of construction has been restricted. In the rural areas, only a small decline (by 1.9 percent) of the share of private stock was registered, with the stock belonging to the category of socialized units growing.

Apartments in the cities and the rural areas belonging to particular owners differ greatly in the age of housing. This is shown in the table below:

	Apartments in the Cities					Apartments in the Rural Areas			
	Of Which in Buildings Belonging to					Of Which in Buildings Belonging to			
	Total in Thousands	Local Organs of State Administration	Housing Cooperatives	Other Socialized Units	Private Owners	Total in Thousands	Local Organs of State Administration	Other Socialized Units	Private Owners
	Percentages in Individual Forms of Ownership					Percentages in Individual Forms of Ownership			
Total	7,039.8	100	100	100	100	3,677	100	100	100
In buildings built:									
Before 1945	1,960.3	48.4	0.9	22.6	48.1	1,305.6	73.8	37.8	33.7
1945-1960	778.8	20.3	1.5	12.3	14.5	721.3	9	11.7	21.6
1961-1970	1,301.3	20	21.1	17.2	13.2	608	8	14.1	17.4
1971-1978	1,520.1	8.3	37.4	23.3	11.9	520	5.2	17.7	13.8
1979-1988	1,479.3	3	39.1	24.6	12.3	522.1	4	18.7	13.5

4. Size and Population of Apartments

The higher rate of growth of the number of rooms and useful floor space, compared to the growth of the number of apartments in the last decade, is the result of commissioning larger apartments in the period in question. At the same time, demolition and other losses in the housing inventory, as well as the connection of apartments, occurred mostly in small apartments. As a result of these processes, the structure of the housing stock changed favorably both in terms of the number of rooms and the useful floor space. The share of small apartments with one or two rooms in the total number of apartments dropped from 31 percent to 23.6 percent, whereas the

share of larger apartments consisting of four, five and more rooms increased by 34.2 to 41.6 percent. The share of apartments with three rooms, which amounted to 34.8 percent, remained unchanged.

Apartments with four or more rooms are more common in the rural areas than in the cities which is associated with the prevalence of single-family housing in the rural areas. The share of these apartments in the overall stock amounted to 39 percent in the cities and 46.6 percent in the rural areas.

Changes in the structure of apartments by the number of rooms are presented in the table below:

		Apartments With the Following Number of Rooms					Average Number of Rooms per Apartment
		1	2	3	4	5 or More	
Total	1978	6.8	24.2	34.8	22.9	11.3	3.15
	1988	4.3	19.3	34.8	27.1	14.5	3.39
Cities	1978	7.9	24	36.6	22.1	9.4	3.07
	1988	5	19.2	36.7	27.1	11.9	3.29
Rural areas	1978	4.9	24.7	32.1	24	14.3	3.28
	1988	2.7	19.6	31.1	27.1	19.5	3.57

The increase in the number of rooms in apartments by 0.24 in the country on the average (by 0.22 in the cities and by 0.29 in rural areas) was accompanied by an increase in the useful floor space of apartments amounting to 5.2 square meters on the average (4.5 square meters in the cities and 6.9 square meters in the rural areas).

The average useful space of one apartment amounted to 51.9 square meters in 1988. Apartments in the cities are on the average 15.5 square meters smaller than in the rural areas (in 1978, 12 square meters smaller). The average size of apartments in the cities amounted to 53.8 square meters in the cities and 69.3 square meters in the rural areas.

Almost one-third of the apartments in rural areas have floor space of over 80 square meters (in 1978, one-fourth). In the cities, apartments that large account for only 12 percent (in 1978, 10 percent). It should be noted that the highest rate of growth amounting to about 150 percent occurred in this group.

The reverse of this ratio occurred in the case of apartments with a floor space of under 40 square meters. They accounted for 29 percent in the cities (in 1978, 37 percent), and the populace residing in them accounted for 31 percent. In the rural areas, small apartments amounted to 16 percent (in 1978, 22 percent), and the populace residing in them to 11 percent.

Disproportions in the size of the apartments between the cities and the rural areas are justified if population is

taken into account. Rural apartments have more inhabitants than urban apartments. On the average, there are 3.20 persons per one apartment in the cities and 3.97 persons per one apartment in the rural areas.

If the population of apartments is to be measured by the number of persons per one room, the situation is also favorable for the cities where this indicator amounts to 0.97 people, whereas for the rural areas it comes to 1.11 people.

In the last decade, a drop in the density of apartments occurred. The average number of people per one apartment dropped by 0.20 persons and per one room by 0.15 persons. The degree of reduction in density was almost the same in the cities and the rural areas.

The extent of improvements in the population of apartments fluctuated between 0.18 and 0.03 persons per room in the cities and between 0.22 and 0.03 persons per room in the rural areas.

The improvement of living conditions from the point of view of population of apartments is more apparent when the structure of population by the degree of density in apartments is considered. A comparison of the respective data in the two censuses indicates that the number of people residing in apartments which are considered to be overcrowded under our conditions, that is, with two or more people per room, dropped by 2,168,000 (which amounted to 26.1 percent of the amount of people in this group in 1978), whereas the number of people residing in low-density apartments, that is, under one person per

room, increased by 3,327,000 (which amounted to 56.3 percent of the populace in this group in 1978).

This unquestionable improvement should not obscure the fact that 6,137,000 people, that is, 16.5 percent of the entire population, live in apartments which we consider to be overcrowded. In the cities, 12.4 percent of the

population live in overcrowded apartments (in 1978, 18.5 percent) whereas in the rural areas this percentage was almost twice as high and amounted to 22.9 percent (in 1978, 32 percent).

Changes in the structure in the populace by the number of people per room are presented in the table below:

		Population in Apartments With the Following Number of Persons per Room (Percent of Total)						Average Number of Persons per Room
		Under 1	1	1.01-1.49	1.50-1.99	2-2.99	3 or More	
Total	1978	17.3	21.9	18.8	17.7	17.7	6.6	1.16
	1988	24.9	24.1	19.5	15	12.7	3.8	1.02
Cities	1978	19.1	26.4	20	16	14.1	4.4	1.10
	1988	27.1	28.1	19.8	12.6	9.7	2.7	0.97
Rural areas	1978	15	16	17.1	19.9	22.5	9.5	1.25
	1988	21.4	17.8	19	18.9	17.3	5.6	1.11

The results of the census also describe apartments in terms of number of persons per room. The results indicate that Poland is far behind the more economically developed European countries in which, according to modern housing standards, every person in the apartment has his own room at his disposal. In our country, only 28.3 percent of the population in the cities and 23 percent of the population of villages lived in apartments with this standard of density.

More than 40 percent of the populace of the country lived in apartments with a density of two or more persons per room—in the cities, 36.9 percent of the population, and, in the rural areas, 52.4 percent of the population. This group includes 11.8 percent of the

population in the cities and 24.3 percent of the rural population living in apartments which had three or more persons per room. In the surveys of living conditions, such density is considered to qualify for substandard conditions, regardless of the technical standard of the apartments.

The number of people residing in apartments that crowded amounted in 1988 to 6,205,000, out of which 2,659,000 were in the cities and 3,546,000 were in the rural areas. This group included 1,137,000 families with children, out of which 331,000 families had many children.

The structure of population in terms of the number of persons per room in 1988 is shown in the table below:

		Population in Apartments With the Following Number of Persons per Room (Percent of Total)						Average Number of Persons per Room
		Under 1	1	1.01-1.49	1.50-1.99	2-2.99	3 or More	
Total		8.5	16.7	14.3	17.5	26.3	16.7	1.43
Cities		9	19.4	16.1	18.6	25.1	11.8	1.35
Rural areas		7.9	12.4	11.4	15.9	28.1	24.3	1.57

The data on the population of the premises and rooms presented above suggest a perceptible differentiation in living conditions between the cities and the rural areas in disfavor of the rural population. Such differentiation is reduced, or even disappears if the useful floor space of the apartment per one person is considered. In the cities, this indicator amounted to 15.8 square meters, and in the rural areas it was even a little higher and amounted to 17.4 square meters.

More than 22 percent of the population of the country (21.1 percent in the cities and 24.2 percent in the rural areas) lived in apartments in which less than 10 square meters of useful floor space was available per person.

Almost one quarter of the entire population (23.1 percent in the cities and 26.9 percent in the rural areas) occupied spacious apartments in which more than 20 square meters was available per person. About one-third of the total populace (33.4 percent in the cities and 28.8 percent in the rural areas) lived in apartments in which the average amount of useful floor space, i.e., 10.1 to 15 square meters, was available per person.

5. Independent Residence by Households and Families

The shortage of an adequate number of apartments comparable to the number of households is the main problem of the housing situation of the population of

Poland. In 1988, almost one-fifth of the total number of 11,570,000 households occupied apartments which were

not independent. This situation is reflected in the table below:

		Households Residing			
			Jointly		
	Total in Thousands	Independently	Overall	Of Which in Apartments Occupied by	
				Two Households	Three or More Households
	In Thousands				
Total	11,967	9,616.6	2,350.4	1,941	409.4
Cities	7,862.7	6,328.7	1,534	1,234.2	299.8
Rural areas	4,104.3	3,287.9	816.4	706.8	109.6
	Percent of Total				
Total	100	80.4	19.6	16.2	3.4
Cities	100	80.5	19.5	15.7	3.8
Rural areas	100	80.1	19.9	17.2	2.7

The lack of an opportunity to occupy an independent apartment affects equally households in the cities and in the rural areas; the worst cases, that is, residence in apartments with three or more families, are more common in the cities than in the rural areas.

A comparison with the results of the previous census indicates that the number of households occupying apartments together with others which in 1988 amounted to 2,350,000 was reduced compared to 1978, when it was 2,951,000, but is still a little higher than in 1970, when it amounted to 2,329,000. This means that in the course of 18 years between the years 1970 and 1988 the unfavorable phenomenon of occupying apartments jointly has not diminished.

Unlike countries at a higher level of economic development, in which a household and a family may be equated with each other, in Poland there are a large number of households consisting of two or more families. (Footnote: According to census definitions, the notion of family means a married couple without children or with children and one of the parents with children. In this sense, a family includes only two generations.) In 1988, 590,000 two-family households and 22,000 households with three or more families existed. In many cases, the occurrence of such households was not

the result of an independent decision by the interested parties but rather the lack of apartments which made it impossible for young families to live separately from their parents. Out of the 10,225,000 families in our country, 7,348,000, i.e., 71.9 percent, lived independently, that is, without other families and other households. In the cities, 77 percent of the families were in that situation, and in the rural areas, 63.5 percent. To a considerable degree, the more common joint residence of families in the rural areas may be the result of a choice by these families due to operating a farm jointly.

Apart from households which contained families, in 1988 2,380,000 "nonfamily" households existed, consisting of 2,188,000 single-person households and 192,000 households with more than one person. A sum of families and nonfamily households compared to the number of apartments makes it possible to determine the potential need for independent apartments.

The situation of these families and households from the point of view of the independent occupancy of apartments is presented below (assuming with regard to families that the families which live in single-family households and which occupy an apartment without other households live independently).

	Families and Nonfamily Households				
	Total	Occupied			
		Independently		Jointly	
		In Thousands	Percent of Total	In Thousands	Percent of Total
Total	12,602.4	9,032.4	71.7	3,570	28.3
Cities	8,096	6,115.1	75.5	1,980.9	24.5
Rural areas	4,506.4	2,917.3	64.7	1,589.1	35.3

The above data indicate that the situation from the point of view of the independent occupancy of apartments, so defined, is worse than corresponding data on the households would suggest.

The surplus of the number of households over the number of apartments denoted the so-called statistical shortage of apartments. In 1988, it amounted to 1,253,000, out of which 824,000 were in the cities and

429,000 were in the rural areas. This means a decline compared to 1978, when it equaled 1,622,000, and the attainment of a level approximating that registered in 1970, 1,295,000.

The data presented above also make it possible to calculate the potential deficit of apartments which in 1988 amounted to 1,889,000, out of which 1,058,000 were in the cities and 831,000 were in the rural areas. A comparison of this deficit with a similarity calculated deficit for 1978, which amounted to 2,070,000, also indicates a decline in the deficit of apartments, but a considerably smaller one than in the statistical deficit of apartments.

The deficit so calculated describes the maximum shortage of apartments. In the case of the rural areas, it is somewhat inflated for the reasons which were discussed above. However, in the case of cities it is more in line with the actual magnitude of this phenomenon than the one calculated by methods used previously.

It should be mentioned that in all of these calculations the quality of our apartments and their size, which in many cases deviate from contemporary norms, are not taken into account.

Materials of the 1988 General National Census make it possible to examine the living conditions comprehensively from the point of view of population density and

amenities in the apartments, also taking into account the issues of independent occupancy of apartments. This makes it possible to evaluate the housing situation more completely than could be the case if various aspects of the situation were considered separately.

In making such an evaluation, the following criteria involving the housing conditions of the populace were adopted:

Very good—occupancy of apartments which have at least running water, a flush toilet, a bathroom, central heating and gas, and are populated by less than one person per room,

Good—occupancy of apartments which have at least running water, a flush toilet, a bathroom, and are populated by one person per room at a maximum,

Adequate—occupancy of apartments which have at least running water and a flush toilet, and are populated by no more than 1.01 to 1.99 persons per room,

Poor—occupancy of apartments populated by 2 to 2.99 persons per room and/or equipped only with running water,

Very poor—occupancy of apartments populated by three or more persons per room and/or not even equipped with running water.

A comprehensive evaluation of the living conditions of the populace in 1988 was as follows:

	Total Population of Apartments	Living Conditions of the Populace							
		Very Good	Good	Satisfactory	Poor	Very Bad			
						Due to			
						Total	Overcrowding and Lack of Running Water	Overcrowding Only	Lack of Running Water Only
						Total	Of Which Households Residing Jointly		
In Thousands									
Total	37,129	1,865	5,467	10,269	10,042	9,486	2,352	530	3,853
Cities	22,532	1,473	4,123	7,565	6,128	3,243	405	95	2,254
Rural areas	14,597	392	1,344	2,704	3,914	6,243	1,947	435	1,599
Percent of Total									
Total	100	5	14.7	27.7	27	25.6	6.3	1.4	10.4
Cities	100	6.5	18.3	33.6	27.2	14.4	1.8	0.4	10
Rural areas	100	2.7	9.2	18.5	26.8	42.8	13.3	3	11

In light of the above data, the housing situation of the population of Poland may be evaluated as very difficult. In 1988, fewer than 7.5 million people, or only about 20 percent of the population of apartments, lived in environments meeting contemporary housing standards, i.e. defined in the table as very good and good.

Almost 9.5 million people, i.e. more than one quarter of the total, lived in "very poor" conditions caused by the occupancy of the apartments by three or more persons per room and/or deprivation of even running water. Out of these, more than 2.4 million occupied apartments which were at the same time extremely overcrowded and lacked amenities. Such conditions should be defined as housing poverty.

The condition of the 530,000 persons who occupied apartments which were extremely overcrowded, lacked even running water, and in addition were not used independently, should be referred to as extreme poverty.

Comparing the situation of the population of the cities and rural areas we should state that it is markedly worse in the rural areas than in the cities, despite a relatively large improvement occurring in the rural areas in the last decade, especially with regard to the availability of technical and plumbing installations in the apartments.

[signed] Deputy Chief Commissioner of the Census, Director of the GUS Department of Censuses and Mass Surveys, Doctor Engineer Leslaw Zalewski

The full text of the communique will be published in Issue 5 of WIADOMOSCI STATYSTYCZNE.

PM Visit Hoped To Spur Final Joint-Venture Agreement

90EP0590A Oslo AFTENPOSTEN in Norwegian
1 Jun 90 p 21

[Article by Kai Ove Evensen: "Kvaerner Eager for Results From Syse's Polish Trip"—first paragraph is AFTENPOSTEN introduction]

[Text] Kvaerner executives are drumming their fingers impatiently on the Polish negotiating table right now. The Norwegians are hoping Prime Minister Jan P. Syse will save the day when he visits the Gdynia shipyard on Wednesday. Erik Tonseth and Company are wondering if Syse can wring an answer from the Poles.

The negotiations with the big Gdynia shipyard have reached their conclusion. The only thing left is the reply from the authorities. All the licenses are in order and the cooperation agreement has been signed, but the final answer from the authorities has taken refuge in a port that is not accessible at the moment. The Poles are reluctant to reach a decision. After all, this is big business and what is decided in the Kvaerner/Gdynia agreement will serve as a model for other projects involving cooperation with western companies. Therefore the Polish authorities are edging into the water with great caution.

Press people are met with silence and searching glances from the Kvaerner management when they ask if the negotiations between Kvaerner and the Gdynia shipyard, Komuna Paryskiej, have run aground.

"No comment," is the reply we get from the directors. For their part the Poles are afraid of the inclement weather this agreement could generate.

One of Biggest in East Europe

The cooperation that the Norwegian industrial firm is planning to enter into with the Polish shipyard is definitely the biggest joint venture in Polish history. In fact the Kvaerner/Gdynia cooperation is one of East Europe's biggest cooperative agreements with a western company. The shipyard has 6,500 employees and plentiful orders as far ahead as 1992. No one at Kvaerner will say anything about how big the investment will be. But it has leaked out that the agreement has a total price tag of almost 300 million kroner. The Norwegian share adds up to around 110 million kroner, divided between 80 million kroner in new stock capital and 30 million kroner in operating loans. Kvaerner has been negotiating with the Komuna Paryskiej shipyard on cooperation for a year and a half.

Very Important Agreement

Behind the facade of the "no comment" answer they are already pulling strings and whispering in people's ears. Even so, there are rough currents in the apparently calm waters. Last week a representative of the Norwegian authorities was in Poland to discuss the matter. The parties are still in touch with each other but the Kvaerner management says at least four points in the agreement can be compared with drinking salt water. The Poles are demanding that revenues from businesses in Poland be exchanged with local currency—the zloty. Unacceptable for Kvaerner. The zloty is worth little more than the paper it is printed on in a western country. Kvaerner does not want to risk incurring losses on old contracts either. Poland must therefore guarantee contracts that have already been entered into. In addition the lease price the authorities have set on the property and buildings at the shipyard is too stiff. Finally, the concern has asked the World Bank for guarantees that all the millions to be invested by Kvaerner will not disappear in the event of a political reaction. The question is whether the Polish authorities can swallow this. Kvaerner does not want to toast the final agreement with salt water.

YUGOSLAVIA

Growth of Small Private Enterprises in Serbia

90BA0136B Belgrade POLITIKA in Serbo-Croatian
20 May 90 p 12

[Article by Jelica Stojanovic: "Tracking the News: The Private Owners Are Coming; A Thousand Firms in 30 Days; Between 1 January and 18 May, 4,132 Private Enterprises Were Registered in Belgrade; By the End of the Year Approximately 130,000 People Will Be

Working for Private Companies in the Capital City; The Banks Still Do Not Trust Them; The Biggest Problems: The Lack of Business Premises, Complicated Book-keeping, and Undefined Taxes"]

[Text] According to data from the Circuit Economic Court in Belgrade, 4,132 private enterprises have been registered as of 18 May. Around one month earlier, on 10 April, to be precise, there were 2,956 private enterprises registered. Three days ago, there was a total of 7,798 subjects registered in the capital, economic and noneconomic, or all social, private enterprises, institutions, and faculties—thus, all those who by their very nature must "register" with the Court. It is not difficult to conclude that there are more private companies.

Interest in forming private enterprises is not abating, notes Mirjana Trninic, a judge with the Circuit Economic Court. On the average, around a hundred subjects are submitted to her each day, and around a thousand companies are registered each month. If this pace continues, Judge Trninic estimates that by the end of the year Belgrade will have 12,000 to 13,000 private enterprises. According to Court data, scarcely 100 of the enterprises are mixed, although the owners of these others often request information on the process of changing status if foreigners are also included in the business.

Largest Trade

Otherwise, up to 90 percent of the cases are dominated by the founding of enterprises for wholesale and retail trade and for providing intellectual services. As a rule, all the companies are also registered for import-export. It is interesting, adds Mirjana Trninic, that there are very few enterprises for direct production.

Such "concrete" activity also requires more money. Duka Samardzic, secretary of the Association of Small Businesses of the Belgrade Economic Chamber, emphasizes that one needs scarcely 150,000 dinars in order to establish a private enterprise for the most basic things—typewriter, telephone, telex, chairs, tables. That is "plenty" to start out with.

A survey recently conducted by the Association of Small Businesses (sent to 600 addresses of the directors of private enterprises mailed so as to arrive at the "personnel files" of their companies) confirmed that nearly all of them are oriented towards trade. In addition, preliminary data have shown that the "leading people" of the company have a college education. However, the most interesting thing is that on the average private companies employ around 10 people, emphasizes Samardzic.

If the Court's prognosis comes true and if private owners continue to employ an average of 10 workers, then between 120,000 and 130,000 people will "earn their daily bread" in small and midsize enterprises by the end of the year.

Radisa Stojkovic, the director of "Eliteks," an enterprise for production and wholesale and retail trade, currently employs 30 workers. By the end of December, he will

employ 20 more, and next year 50. "In a collective with a hundred employees, a person can have control and good organization and can raise efficiency to a high level in order to operate at low costs and realize a large profit," says Stojkovic. Like the majority of owners of private enterprises (as shown in analyses by the Association of Small Businesses), the "top man" of "Eliteks" came to his new job after leaving an independent trade, and before that a social enterprise.

Only One Bankruptcy

Stojkovic says that his earnings are invested in further development. The employees are building a department store to sell textiles, leather goods, and shoes, and they are planning to open a plant in Dragacevo. Stojkovic says that the philosophy of this company is contained in the word "WORK." He does not demand of his employees that they "slave away" at their machines, but a "normal functioning" of the line is implicitly assumed. He earns from 3,500 to 8,000 dinars, but the salary of salesmen depends on the revenues.

Still, regardless of the rosy indications concerning the flourishing of thousands of private enterprises, the life of these companies is not without its thorns. Most of all, reminds Samardzic, is the "pinch" of inadequate business premises. Furthermore, they think that book-keeping in small and midsize enterprises should be simplified. Like their colleagues from the social sector, they are concerned about the undefined tax policy, and they are also dissatisfied with banking standards. This is because financial institutions previously extended a helping hand to social enterprises, and cannot or will not go along with dynamic private owners.

For now, the private owners are holding their own. In the words of Slobodan Ciric, the president of the Bankruptcy Council of the Circuit Economic Court, the SDK [Public Auditing Service] has been asked to undertake bankruptcy proceedings against only one private enterprise. It remains to be seen whether the company will disappear. If it becomes solvent by the summons date, the proceedings are suspended.

"This year, 1.3 million people could be employed in Yugoslavia in small and midsize enterprises and 3.7 million in the 2,000 range. This would represent a growth in the ownership of worker ID cards of 18.1 percent during the current year and a jump of 47.5 percent at the end of the century." These daring and optimistic prognoses are provided by Ratimir Z. Milanovic in his study, "Small Businesses in the World and in the SFR Yugoslavia" [Mala privreda u svetu i SFR Jugoslaviju].

"The reforms initiated in our country are not a matter of choice and commitment. They are forced by the profound crisis and by the pressure exerted by the popular masses for a change of conditions. They demand a radical turnaround and a break with previous norms and other patterns of development," says Milanovic, adding that even the most obstinate people have become aware of the power of small businesses as an essential factor in overcoming the crisis.

INTRABLOC AFFAIRS

Deputy Minister of Education on Language of College Entrance Exams

90CH0160A Bucharest ROMANIAI MAGYAR SZO
in Hungarian 18 May 90 p 1

[Interview with Deputy Minister of Education Dr. Paul Cornea by Andras M. Peter; place and date not given: "Everyone Can Take the College Entrance Exam in His Own Language"—first paragraph is ROMANIAI MAGYAR SZO introduction]

[Text] Recently we went to ask Dr. Paul Cornea, university professor and deputy minister of education in charge of matters pertaining to higher education, to tell us about the new requirements and measures governing college entrance exams.

[Cornea] Presently there is a lot of spirited work going on in our colleges and universities. Not since the beginning of the school year have we seen such intense concentration on learning and teaching; everyone, teacher and student alike, is working to prepare himself for the approaching year-end exam period to the best of his abilities. Students enrolled in classes originally thought to graduate this year now have a choice: They can either complete and defend their course-end theses, or, as many have chosen to do, they can enroll for a fifth year. As for the students of the remaining classes, they have been given the opportunity to take their examinations in open sessions. In most cases they have taken advantage of this opportunity. According to the information we have received, recent class attendance figures have been up compared with those recorded in January and February. Several college and university faculties have drastically changed their curricula, adding new and in many cases parallel subjects and courses to them, thus making their instructional programs more interesting as well as more effective. Of course, in the meantime we also need to think about the future. This is why we have begun, for example, to set up new faculties and departments in many of our college and university centers. In the large university centers we have augmented certain faculties with new departments that have proven to be indispensable. In some cities, we have established entire new college and university faculties, naturally on the basis of detailed preliminary assessments of local potentials, and of guarantees offered by thorough expert studies concerning the quality of the educational-instructional work to take place at the institutions to be established at these new locations.

[Peter] What are some of the new regulations we can look forward to having in place regarding the so called postcollege and university graduation "repartitions," i.e., the transfer and placement of graduates?

[Cornea] We have recently made public a nearly finalized draft of the law on transfers and placement. We are currently in the process of summing up and studying the

comments and recommendations we have received concerning the draft, so that after taking all of them into account we can put the draft document in a final form to be submitted for enactment. In any case, according to all indications, the basic principle of the draft has met everyone's general approval. According to the principle, the state will offer a job to all graduates of our higher educational institutions, but it will be up to each individual graduate to decide whether or not to accept the position offered.

[Peter] The closing of a school year already bears within it the many problems and tasks connected with preparing for the new school year. What is in store for high school graduates preparing for their college and university entrance exams?

[Cornea] We are making every effort to ensure that the new entrance exams are less traumatic for the applicants than past exams have been. We have taken a whole series of measures to this end. Most importantly of all, future entrance exams to all institutions of higher learning will be organized on the basis of test questions worked out by the local examination board. In other words, there will no longer be nationally mandated test questions. This is expected to generate a more genuine sense of involvement and responsibility on the part of the teachers administering the test. In addition, several of our higher educational institutions have been working on, and are planning to introduce new entrance examination formats that will place the emphasis not so much on the memorization and mechanical recitation of material, as on the basic abilities of the candidates. We hope that as a result our entrance exams will be more flexible, and in terms of their atmosphere less regimented than they were under the old system. Appeals and contested decisions will be judged not by the examining and testing teachers, but by teachers and bodies specially selected for that purpose.

[Peter] Are there any universally applicable regulations regarding the language in which the entrance examinations have to be taken?

[Cornea] I would like to take this opportunity to once again assure our national minority candidates that they have the option of taking their entrance exams in their mother tongues or in the language of their secondary school studies. This, incidentally, is an older regulation which henceforth will be more closely respected.

[Peter] Mister Minister, is this a nationally binding principle and rule, or is it perhaps also something to be left up to the discretion of the respective institutions of higher learning?

[Cornea] No, this is a nationally binding principle and rule. If, for example, a student applicant has completed his secondary school studies in Hungarian, he has the right to take the entrance exam in Hungarian, his mother tongue.

[Peter] Does this have to be specially requested on the form to be submitted at the time of signing up to take the entrance exam?

[Cornea] Naturally, since understandably in such cases steps need to be taken to ensure that the examining board is made up of teachers who have the appropriate language background, that they are properly qualified, and that they are provided transportation to the testing location if necessary.

[Peter] Have you determined, or generally speaking, are there any registration quotas for the various faculties?

[Cornea] We have not finished discussing the question of registration quotas; we are still in the process of studying the issue, doing so within the broader context of Romanian education, comparing it with the education policies of other countries. At the same time we realize, in view of the changes that are currently taking place in our country, that we also need to be mindful of the prospects that have been opened up before Romanian education. In other words, we try to be as circumspect and as forward-looking as possible, working toward our complete European integration. It is impossible to keep our system of higher education at the same feebly developed state where it had been kept during the time of the dictatorship. It is a sad fact that currently Romania ranks as one of the European countries with the lowest number of college students per 100,000 inhabitants. In other words, there is not only a possibility, but also a need to expand our university network. From which it also naturally follows that in many specialty fields the registration quotas will be higher than they had been in previous years. [end interview]

Concluding Notes to Above Conversation

The reporter feels honor bound to inform the readers that the condition on which the subject of this interview had agreed to take part in the conversation was that he would not be asked "uncomfortable" questions which he could not answer, or which he was not authorized to comment on. These would have included questions pertaining to the establishment of the Bolyai University.... The reporter had understood the deputy minister's predicament, and accepting the conditions, agreed to proceed with the conversation printed above in a slightly abbreviated form.

HUNGARY

Minister of Culture on Education Reform, Religion, Press

25000736F Budapest MAI NAP in Hungarian
17 May 90 p 5

[Interview with Minister of Culture Bertalan Andrasfalvy by Peter Kurucz; place and date not given: "European Public Education on an Asiatic Scale: Freely Along the Pattern of the Tiger Cubs"—first paragraph is MAI NAP introduction]

[Text] The new minister of culture, Bertalan Andrasfalvy, is 59 years old. He holds a degree in ethnography-museology. He received his doctorate in 1961, and became a candidate [for the doctoral degree] in historical sciences in 1971. He leaves a chair at Pecs University in exchange for the velvet chair. The name of his ministry: Ministry of Culture and Public Education. Even though there were rumors that religion and public education would be removed from the ministry.

[Kurucz] Why did this not take place?

[Andrasfalvy] State functions related to religion are under the ministry's jurisdiction, provided that such functions involve the fields of culture and education. The essence of the freedom of religion is that religion is not subordinate to administrative governmental institutions.

[Kurucz] What kind of role will public education play in the workings of the ministry?

[Andrasfalvy] I am hopeful that this will be a central theme of the government. After all, reforming our public education is necessary from both an economic and a moral standpoint, and in the interest of our survival. We make frequent reference to the Asian tiger cubs who may thank their development to investing most into education. This kind of investment would be the most efficient capital in Hungary, in terms of money, energy, and moral capital. Our talented young will leave the country unless we provide appropriate conditions for learning. If the earlier trend continues we will have an aged, dumb country which collapses by itself.

[Kurucz] How should the school system be changed, in your view.

[Andrasfalvy] The minimum age limit for mandatory enrollment in school should be increased. Grade schools require a significant change. Our skilled worker training is also very bad, it is backward, not only in regard to general knowledge, but also with respect to preparatory professional training. Renewal of this [system] is also important because 70 percent of Hungarian youth go to specialized intermediate schools or receive skilled worker training.

Replacing the thus far strict curriculum, we must establish a school system with fewer restrictions and with a greater opportunity for choice. This also means the return of parochial gymnasiums. Minimum requirements must be established at the same time to be fulfilled by students in various subjects. But the emphasis must also be shifted in regard to basic knowledge. Beyond the most needed basic knowledge, students should enrich themselves spiritually, they should have the feeling of success, and they should be able to freely develop their talent. We would like to see young students feel a craving for joint creation already during their initial school years. This could serve as an engine to cope with greater tasks in the future.

[Kurucz] These days the forced commercialization of culture is a key issue.

[Andrasfalvy] It is difficult to discuss this issue. I do not regard the emergence of private schools as commercialization, for instance. I regard it only as the satisfaction of a natural need when I see as many new schools as possible to fulfill as high expectations as possible. One matter is certain: The acquisition of culture and education must not yield to the rules of the marketplace. Certain branches will always require assistance from society as a whole, they will not be able to sustain themselves. In the upcoming years the need for subsidies will be even greater. After all it is easy to sustain cultural institutions in places where people have reserves, but here families have constant problems in making ends meet from their monthly income. We cannot count on [financial support] from them.

[Kurucz] The oft-mentioned populist-urbanite debate affects primarily your ministry.

[Andrasfalvy] If we consider the kinds of values we may receive from traditions and from our being European we will find that these two concepts are not opposites. And then this superficial debate loses sense. I am not certain whether public education may be shored up during the tenure of the government, but this populist-urbanite debate will by all means fade away.

[Kurucz] And finally a current issue: Istvan Csurka believes that the parties should be represented in the press according to the proportions in which they are represented in Parliament. Do you share this view?

[Andrasfalvy] You cannot simplify this issue in this way. It turned out that during the elections a majority of the media manifested their sympathy with one or another political trend. A nonpartisan press, removed from the political struggle, is the ideal situation. Csurka made reference to the fact that huge changes are taking place everywhere, in the ministries and in local government. In principle it would be conceivable to also see a change in the press. Based on the judgment of the public. And as long as the public is not mature enough to judge, we must help the manifestations of minority views.

Kosary New Chairman of Academy of Sciences

25000739B Budapest NEPSZABADSAG in Hungarian
25 May 90 p 1

[Article by D. Gy.: "A Responsible Scientific Body With Initiative—Domokos Kosary Is Chairman of the Academy"]

[Excerpts] Following a more tumultuous than expected debate "glaring with subjectivity" (Gyorgy Szabad accepting the charge of denunciation burst out against

the nomination of his fellow academician—followed by total silence and by Ivan Berend's elegant riposte serving as an answer) [passage omitted], three chairman and three executive secretary candidates were placed on the ballot at a working session of the Hungarian Academy of Sciences [MTA] general meeting on Thursday. [passage omitted]

After the clashing of swords which visibly stunned most academicians the results of the vote were publicly announced [passage omitted]; chairman (for the first time)—Domokos Kosary; executive secretary (again)—academician Istvan Lang. The chairman [passage omitted] was moved when he expressed his thanks for the confidence manifested by his fellow academicians, and stressed that we must all recognize the importance of simultaneously preserving and renewing values, and the need for tireless progression with the development of science.

Prime Minister Jozsef Antall arrived at the general meeting during debate that ensued after the (former) chairman's and the executive secretary's reports.

"It is of particular joy to me that with the chairmanship of professor Kosary, the person heading the Academy, has become the symbol of renewal as a result of his political and human conduct, and the imprisonment he suffered."

In his further remarks the prime minister reminded those present that as a result of the peculiar features of our history, the Hungarian Academy has played a more important role in society than any other academy in the world. This significance will not decline in the future. The Academy, and along with the Academy universities and other places of research, are faced with the tasks of making brave initiatives, of making recommendations, and if needed, of criticizing the functioning of the government, while recognizing the responsibility that is involved in all of this. This is how the Academy can provide the greatest help to the new state leadership which is endeavoring to lift the carriage of the country out of the mud without having practice—as "amateurs" if you will—but filled with good intentions.

In a quiet moment of the general meeting, Domokos Kosary responded to our question pressing the issue of the role of science just before the millennium: "At last the path has been opened to the Academy, to science in general, and to the freedom and independence of knowledge. If we take advantage of this opportunity and handle it cautiously, with great care, the melancholic image of the future envisioned by many may be exchanged for a more optimistic one. After all there is far more energy, talent, and creativity in people—including the people of science—freed from unnecessary tensions and linkages than most people would believe these days."

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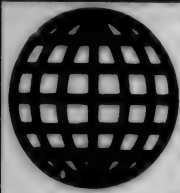
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JPRS-EER-90-096

2 JULY 1990



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HUNGARY

Ex-Secret Agent, Kidnapper, Fraud Shrouded in Mystery

National Security Office Denies Relationship

25000737C Budapest NEPSZABADSAG in Hungarian
14 May 90 p 3

[Interview with National Security Office chief Lajos Nagy by Peter Vajda; place and date not given: "Csaszar Was a Secret Agent, but... Lajos Nagy Initiated Investigation of Charges Made by Former Counterintelligence Agent"]

[Text] [Vajda] West German citizen Vilmos Csaszar has been introduced by the television program UJ REFLEKTOR and on the pages of the magazine REFORM. Csaszar states that previously he was commissioned by the Hungarian state security organs to act as a secret agent in foreign trade and in the textile industry. He made mention of some alleged grave violations and cases of corruption. What can you, as the head of the National Security Office, say about this?

[Nagy] In his interview given to the UJ REFLEKTOR and to REFORM Csaszar said that Hungarian salesmen defrauded the country of \$320 million. He also stated that although in those days he reported all this to the state security organs of the Ministry of the Interior, they did not initiate any legal inquiry in regard to these salesmen. In response to these statements I ordered an investigation of the documents that could be found, and ordered that those documents be secured. The investigation is complete, and we are prepared to present the results of the investigation, as well as the original documents to a parliamentary investigative committee having jurisdiction, at any time. The National Security Office regrets that no background information was obtained prior to publishing these reports. In this way several statements of Csaszar which do not reflect the truth could be presented as facts to the public. Based on contemporary documents we see that the Interior Ministry's counterintelligence group was in touch with Csaszar in 1979. This organ severed its relationship with Csaszar gradually because of his negative personal qualities.

[Vajda] Could we find out what this report contains? What were those negative attributes of Csaszar you just mentioned, and how much of what Csaszar told the press is true?

[Nagy] The press will by all means receive answers to some of the questions; after all, the public has a right to expect an answer from the state organ having jurisdiction in a case which involves such statements. I will request your understanding, however. First we must inform the legislative or governmental committee I just mentioned of this material. That is why I cannot respond to substantive questions here and now, regardless of how much I would like to do so.

[Vajda] In his statement Csaszar names several former Interior Ministry state security officers who kept in touch with him. Based on our own, in-house investigation, several names can be identified [with actual state security officials], aside from inaccurate spellings. Could we receive an answer to this question, Colonel: Are these persons working in the office you are heading today?

[Nagy] I have established this fact: Not one of the leaders or subordinates who dealt with Csaszar's case or person were transferred to become part of the National Security Office staff, as that was established on 1 March 1990. A large majority of these persons retired earlier, or have left the Interior Ministry.

[Vajda] In one of his interviews given at the editorial offices of REFORM Csaszar said: "They are persecuting me, but I made it, two Lada [cars] are circling around me, I already know their drivers' faces." Could this be true?

[Nagy] I can state in the firmest possible terms that our office has never, nowhere, acted or planned to act to exercise control or to pressure Csaszar.

Csaszar Requests Interview

25000737C Budapest NEPSZABADSAG in Hungarian
15 May 90 pp 1, 3

[Interview with Vilmos Csaszar by Peter Vajda in Budapest on 14 May: "Religion Teachers Are Not Hired To Perform Such Tasks"—Interview With a Former Counterintelligence Agent"—first paragraph is NEPSZABADSAG introduction]

[Text] A journalist need not always go after the subject of his report. On occasion the opposite occurs. After publishing in our Monday [14 May] issue an interview with Colonel Lajos Nagy, chairman of the National Security Office, about Vilmos Csaszar, who previously served as part of Hungarian counterintelligence and who in his reports on television and in REFORM recounted the alleged large-scale abuses perpetrated by Hungarian foreign traders, a guest arrived [at our editorial offices] on Monday noon. The guest was Vilmos Csaszar: He asked that, consistent with requirements for providing proper information, we also publish his comments.

[Vajda] Mr. Csaszar, why did you come to see us, and what do you intend to add to the statement made by Colonel Nagy?

[Csaszar] I read the colonel's statement with extraordinary interest, even though I find it somewhat vague. As far as the cars that follow me are concerned, I never said that the men of the National Security Office are after me.

[Vajda] Well then, who is following you?

[Csaszar] Enough people have a reason to be concerned about my revelations. Incidentally, they also followed the two editors of REFORM, Julia Lajos and Peter Vincze. I do not know why the colonel did not make

reference to this fact; could it be that his office is providing protection for these two journalists? Further: The Alien Control Division prevented my entry [into Hungary] from December 1989 until the middle of March. They could not have done so without the involvement of the former Interior Ministry or the present National Security Office. Even on Easter Monday, even though prior to that day I was able to enter the country three times, they made another attempt to prevent my entry....

[Vajda] Do you have any other grievances, Mr. Csaszar?

[Csaszar] Yes, I am aggrieved by Mr. Nagy's statement that counterintelligence severed its relations with me because of negative personal attributes. I was an "outside" associate of the Organ for almost two years before they swore me in in February 1979, in writing. They even knew the way I eat paprikash potatoes.... The relationship ended when they poisoned me in June of 1982.

[Vajda] How did they poison you, Mr. Csaszar?

[Csaszar] Counterintelligence agents invoked the name of Major General Redei when they summoned me to an apartment in Buda [No. 163 Szepevolgyi Street—per photo]. They knew I had a key to that apartment. That is the place where I used to meet with my girlfriend.

[Vajda] And how do you know that the counterintelligence people called you to this rendezvous place?

[Csaszar] Because they knew the secret password: "I am Pali from the TV."

[Vajda] And what took place in this Buda apartment, Mr. Csaszar?

[Csaszar] Redei did not show up, but three other men came. We drank half a bottle of vodka, then one of them held a revolver to my temple and demanded that I write a farewell letter to whoever I want to. This is how they wanted to have my death appear as suicide. I wrote [the farewell letter] to Interior Minister Istvan Horvath. Thereafter we drank some more, the men left, and I found myself in the delirious condition of having been poisoned. That is how I left the house; in a trance I drove the car to Csepel. At first the police there thought that I was drunk, then I got to the Koranyi hospital and later to the closed ward of the Lipotmezo [mental] hospital. They were unable to determine what the poison was; this also shows that it was a professional job.

[Vajda] How long were you there?

[Csaszar] For several weeks, I believe. That is where police Lieutenant Mihaly Kis from the Csepel police headquarters paid a visit. He brought along the farewell letter he found in my car and asked what he should do with it. I told him to forward it to the minister.

[Vajda] Why did you say that?

[Csaszar] Because if I began to make accusations I would be a dead man today. It is my intention, however, to file a complaint with the new chief prosecutor's office against [former] Interior Minister Horvath, Major General Redei, former Lieutenant Colonel Tibor Farkas, and Daniel Nadj, a Munich textile merchant who is of Yugoslavian origin and is a West German citizen.

[Vajda] And on what grounds?

[Csaszar] Because Horvath was the interior minister, counterintelligence was under the jurisdiction of Major General Redei, and Tibor Farkas was chief of liaisons, accordingly they are responsible for taking me to the place where they wanted to kill me, except for the fact that they did not succeed.

[Vajda] And the textile merchant?

[Csaszar] I knew one of the three persons in that house from before. I knew him as a "textile merchant from Ujvidek [Novi Sad, Yugoslavia]." I've seen him at Hungarocoop several times together with Daniel Nadj. Indeed, now I know that he is not a textile merchant from Ujvidek, but an official of Yugoslavian counterintelligence from that place.

[Vajda] Is this how Daniel Nadj gets into your complaint?

[Csaszar] Yes. Daniel Nadj was also interested in getting rid of me, because I was aware of his corrupt affairs, and I represented a threat to him. Hungarian counterintelligence also wanted to get rid of me, therefore they jointly organized this as an unofficial action.

[Vajda] I see. Now, Mr. Csaszar, obviously, the investigation will shed light on all of this....

[Csaszar] Most certainly, the investigative data will be incomplete, because I dictated my reports for Lieutenant Colonels Arpad Papp and Tibor Farkas on a tape recorder, and then the reports were returned to me in writing, but by then they were incomplete. For this reason I secretly prepared duplicate [tapes] which I [still] have.

[Vajda] What are your goals at present?

[Csaszar] As a devout anticommunist, the son of a Csepel small tradesman, I agreed to do all this because I accepted my country together with its flaws. That is why I agreed to work for the Organ. I guess that now they will say that my private life was not exemplary, I was indeed licentious and liked whores. But they do not hire religion teachers to perform such tasks. In this relation my respectful message to the Colonel is this: It would be preferable for him to regard his official duty, the protection of the security of the Hungarian Republic and of the interests of the Hungarian people, as more important than to launder the soiled uniform clean. My sole purpose in going public is to have an appropriate legal investigation: to hold responsible the culprits, and to get

back as much as possible of the corruption money from the Swiss, Austrian, and Bahamian banks.

[Vajda] Mr. Csaszar, we thank you for the conversation you asked for by noting: We trust that light will be shed upon some details that are mystical and gray today....

Listed as Terrorist on Prohibited Entry List

25000737C Budapest NEPSZABADSAG in Hungarian
15 May 90 p 3

[Text] After the interview with Csaszar we asked the spokesman for the National Security Office whether they were aware of the fact that two journalists of REFORM were followed. In his response he stated that the Office fulfills every justified request for personal protection, but in this case Julia Lajos and Peter Vincze did not complain, nor did they make such a request.

In regard to Csaszar's inability to enter Hungary, spokesman Tivadar Parvy had this to say:

"Mr. Csaszar's name was placed on the prohibited entry list by the then Interior Ministry counterintelligence group command after Csaszar held the head of the Hungarian trade delegation to Munich hostage in 1982. For this reason the records showed Csaszar as a terrorist. The National Security Office was not operating at the time the first request arrived asking that Csaszar's name be taken off that list. After the second request the head of the office took action to have his name taken off the list, and no contrary action has been taken since. As Lajos Nagy said in his statement: The committee having jurisdiction will be informed of the substantive aspects of this case, and the public will be informed thereafter."

Obtains U.S. Resident Alien Card With Ease

25000737C Budapest NEPSZABADSAG in Hungarian
23, 24 May 90

[Investigative report by Peter Vajda: "NEPSZABADSAG Investigation of the 'Foreign-Trade Gate Affair: Who Are You, Vilmos Csaszar?'"—first two paragraphs are NEPSZABADSAG introduction]

[23 May pp 1, 7]

[Text] REFORM magazine called the scandal with which it and Hungarian Television dealt with in parallel "Foreign-Trade Gate." The central person known to our readers is Vilmos Csaszar. We interviewed him. According to repeated statements made in articles and reports, Csaszar is accusing Hungarian foreign traders of having caused a loss amounting to \$320 million to Hungary. Further, he is accusing Hungarian counterintelligence (in which he served as an agent) of having "put to rest" information concerning machinations by foreign traders conveyed to them by Csaszar in the late 1970's and the very early 1980's, and that counterintelligence did so based on instructions received from the [Communist] Party. Presumably all the related documents are at two foreign banks and in the safe of a law office. His

noteworthy statements include allegations that they wanted to poison him during the summer of 1982 and that upon his return to Hungary in 1990 he was followed by cars for quite some time.

At our editorial offices we carefully reviewed reports that appeared in other newspapers as well as TV reports, and tried to supplement the investigation with our own inquiries. We talked to Csaszar himself, his divorced wife, and with the persons he accused. We asked questions of the head of the Counterintelligence Directorate of the National Security Office. Through his German contacts we had access to his letters in which he filed complaints, and his notes which he wrote for West German use. We also received the Interpol warrant from those days. Our readers will learn of our findings in today's and tomorrow's reports.

The first question to be answered is this: What kind of "Hungarian agent" was Csaszar, how did he get in touch with the Hungarian organs, and what kind of assignment did he perform for them?

Based on press reports, Colonel Dr. Laszlo Danko, head of the Counterintelligence Directorate of the National Security Office, gathered the files which are available from the "old" counterintelligence regarding this case. The picture that emerges is as follows: Csaszar, then a textile trade employee in the FRG, got in touch with Hungarian counterintelligence in not quite the way he made it appear in interviews. Counterintelligence did not seek him out in mid-1977, it was Csaszar who sought out the counterintelligence to file a complaint. He filed a complaint against a Western businessman (we are aware of his name, but do not intend to publish it in due regard to his privacy rights), stating that Csaszar could provide a document proving the Western businessman's relationship with a specific Western intelligence service.

The counterintelligence organ manifested moderate interest in Csaszar's appearance: Not until February 1979 was he enlisted. Thereafter, whenever Csaszar stayed in Hungary, he presented reports to the officers of the then counterintelligence service, which contained nothing but accusations and statements that could not be proven. The counterintelligence leadership having jurisdiction reacted in a logical fashion. In what amounts to record time in their practice they decided to sever all relations with Csaszar. As a reminder we will state that in those days Csaszar resided in the FRG, and travelled to Hungary as a textile merchant. In August 1979, i.e. half a year after he was recruited, border stations had instructions to signal Csaszar's entry into the country: Counterintelligence leaders wanted to tell him that all relationships had come to an end. He was excluded from the Hungarian counterintelligence network in November 1979: From that time on he could not have had any official relationship with anyone within the organization.

This fact is noteworthy because Csaszar talks about a relationship with the organization that lasted much

longer. In his interview he states that in 1982, when he was "poisoned" by counterintelligence agents in Budapest, he was lured to the secret rendezvous point by using the password agreed upon with this organization in advance. Incidentally, Hungarian counterintelligence did not use passwords in the course of maintaining relations.

The entire episode appears to be a product of imagination. Csaszar told NEPSZABADSAG that the poison was in the vodka, but in the accident that followed this event the police taking action did not find any alcohol in his blood, the fragment of the police report shown here [report not included] states that no alcohol was found in Csaszar's blood. The report mentions only poisoning caused by an overdose of medicine. (Csaszar does not mention the fact that at the Koranyi hospital he tried to hang himself on a sheet, and this is why they transferred him to the mental institution.)

In the interview he gave to REFORM Csaszar said that he escaped from Lipotmezo as part of a dirty laundry shipment, while in his statement written in the FRG ("The most important events, dates, agreements, promises, chronology of my activities within the Hungarian secret service") he states that he was simply released.... Thereafter, according to the REFORM interview, "I received a forged Yugoslavian passport thanks to my connections, and was able to cross the border." The statement written in the FRG concerning this event is different. Translated into the Hungarian: "I am requesting my German papers. I receive them without problems. I receive a free Budapest-Munich airplane ticket from the police. A man in civilian clothing accompanies me to the airport and I am able to depart without hindrance." Laundry shipment and false passport, or dismissal from Lipotmezo and honor guard to the airport? All of this is not entirely unessential from the standpoint of Csaszar's credibility. Just as it is not unessential that in his above-mentioned German language writing Csaszar had this to say: "February 1981. Letter to Janos Kadar, first secretary of the Hungarian Socialist Workers Party [MSZMP]. I am describing with 100-percent certainty that Hungarocoop (this is followed by a list of names) ... caused \$30 million worth of damage to the Hungarian state between 1973 and 1974.... My letter to comrade Kadar was dealt with by division head Ferenc Gal." We will return to the matter of why he wrote a letter to Kadar, as well as to Ferenc Gal. And further, let us not ponder the question of why a Csaszar who defines himself as a devout anticommunist writes the word "comrade" next to the name of Kadar; the writing was not prepared for use by a "comrade," after all. Something else is noteworthy: At this point the damage inflicted amounts to only \$30 million, not to \$320 million. This is so, even though in subsequent times he could not have had contacts which would have allowed him to obtain new information.

According to Csaszar, the relationship he maintained with the Hungarian secret service was so long that the men of this organ visited him as late as in 1983 in the

United States. "I was expecting them already. The only thing I did not count on was that they would pay this much money to keep me quiet. Added up, the final amount in America was about \$150,000. I received it in the form of business activities on credit, merchandise delivery." \$150,000 is no small amount of money. According to an already retired member of the Hungarian intelligence service, the service never had available even a fraction of such an amount to finance its agents. And Csaszar was not their agent.

Here our story must take a detour to describe how Csaszar got to the United States. As is well known from stories about him, in Munich he kidnapped Hungarian commercial counsellor Dr. Csurgai. He was freed within a short period of time. The court sentenced Csaszar to three years in prison.

According to the sentence, Csaszar's criminal record served as an aggravating circumstance (one year in prison for fraud, suspended). The court regarded as an ameliorating circumstance the fact that Csaszar may not be viewed as entirely competent due to his distorted spirit (FRG Criminal Code of Laws, Paragraph 21.) The person who acted in Csaszar's case as an interpreter all along (we talked to him) claims that this description of Csaszar was appropriate: Apparently he was suffering from a persecution complex, which he tried to compensate for by trying to persecute those whom he felt persecuted him. Lies and truth merge in his mind, and after a while he himself is capable of believing that what he told as a lie is true.

He was furloughed from prison; he departed for the United States illegally. Accordingly, he did so without serving his full punishment, and that is why Interpol issued a warrant. We will revert to the kidnapping issue together with some additional issues in tomorrow's installment of this article. Even more so because a press report has appeared about which his long divorced wife is aggrieved. She feels that she was described as an accomplice in this terrorist act. The truth is that she learned about this act when on 22 December 1982 the bell rang at the apartment where she stayed with her small son. Three men in civilian clothing stood at the door.

[24 May p 7]

[Excerpt] [passage omitted] They were investigators dispatched upon receiving word about the kidnapping in Munich. The investigators learned about the kidnapper's request: to transfer to his wife in Budapest "the amount due to him from the Interior Ministry" and that they put her on a plane to Germany. It did not take much effort for Radka to convince investigators that she had nothing to do with this case, she had a railroad ticket purchased at IBUSZ in her pocket for herself and her child, with an FRG location as the destination. For all practical purposes, by then her marriage to Csaszar was upset. This matter was clarified in the course of a few hours. She left for the FRG, her son stayed home and did not leave the

apartment for many days: The child had sensitive nerves and his father's act came as a great shock. And Radka becomes outraged when writings about the kidnapping and about the role slated for her by Csaszar are written up without saying that she did not know about it, that she did not want this to happen, and that she does not know anything about it. "How should I look into the people's eyes at Csepel where everyone knows everybody and where my family lives?"

That day, 22 December was memorable not only for her, but also for Dezso Nemeth. The intermittent brief signals given by the telephone on the desk of MSZMP [Hungarian Socialist Workers Party] Central Committee [CC] administrative office worker Nemeth indicated that the call came from the city. The voice on the other end of the line sounded familiar, Nemeth says. "At this moment I am standing here next to the chief of the Munich foreign trade delegation. I took him hostage by using a weapon," Csaszar told him, and then enumerated his financial demands. Then Csurgai took the receiver and confirmed what Csaszar said, then once again it was the kidnapper's turn. Nemeth tried to prolong the conversation and persuade Csaszar to surrender his plans. Before the call was interrupted, Csaszar's response was "I have committed myself already, it makes no difference to me anyway." (A few hours later when ranking CC Secretary Ferenc Havasi was informed of the case, a witness recorded the fact that one could not tell who looked more pale, Nemeth or Havasi, and also recalled the CC secretary's words. "Actually what does one do in such a case?" But by then they had learned that the German police had freed Csurgai, and the question remained a rhetorical one.

At this point one should discuss from where Nemeth knew Csaszar. Csaszar called him at his workplace in the spring of 1982, and asked for a meeting as an old "buddy" from Csepel. In reality, Nemeth did not at that time, nor does he now, recall Csaszar as a childhood acquaintance, nevertheless he agreed to the meeting and introduced Csaszar to his boss, Ferenc Gal. (Gal never served as head of the administrative division, as was stated in an article about him. In the same article, Gal's name is casually linked to the "corruption case." Today, the retired Gal has a three-year-old Dacia car, a rented service apartment in a panel building, and knows nothing about the corruption case.) Gal says that he was faced with the dilemma of what to do in regard to two requests advanced by Csaszar. The first request was that his name be taken off the list which made his entry into and stay in Hungary more difficult. He helped him in this regard. Csaszar's other request was that he be brought together once again with those counterintelligence agents with whom his relationship was severed. For two reasons: to be able to put his hands on money owed to him, and to provide more information about corrupt foreign traders. Gal did not succeed in achieving even as little as Csaszar being able to talk to the counterintelligence people. In the end the investigation was

conducted by the Interior Ministry's investigation division. As deputy administrative division head, Gal himself played no active role in this regard whatsoever; he could not have played a role in this, irrespective of what Csaszar says. The result of the investigation: nothing! No one owes anything to Csaszar, and his charges cannot be proven.

Gal states yet another matter firmly: It is not true that Csaszar turned to Kadar in February 1981, or at any other time.

One matter remained a constant theme of our discussions, and some believe that this could be the key to the understanding of the Csaszar phenomenon: money. He borrowed a significant amount of money, 11,000 German marks from Daniel Nadj, with whom he had business relations. The note is also signed by Csaszar's wife. There is only one little flaw: The then Mrs. Csaszar saw this note for the first time when Nadj demanded his money from her. Not only brains, but money also bring trouble. The debt owed to Nadj serves the basis for two witness testimonies before us. One was written in Budapest, December 1981. In this testimony Mrs. Dr. Gyorgy Siklosy says that Csaszar threatened Nadj with filing a complaint at both the Hungarian and German authorities for not giving him work, and because he demanded payment of the debt. The other one is a sworn testimony given by Alfred Susedsy in the FRG. "I have known Mr. Csaszar for a few years. He made his statements at my home. In these he assured me that he would finish up with Mr. Nadj. He filed a complaint at both the Hungarian and the West German financial authorities for concealing taxable income." Indeed, Mr. Nadj was called to account relative to the tax case. As we learned from him, on the day of the hearing Csaszar announced that he had thrown the incriminating documents into the River Isaar. (Mr. Nadj also said that Csaszar received from him a onetime loan because Csaszar made Nadj's head bleed when he hit it against the wall, and Nadj preferred to give money to Csaszar so that he would leave.)

A further document: A Budapest police officer from the 20th District received a call from a personal acquaintance (we have his name) who left for the United States. The call came from Vienna. He filed a complaint against Csaszar. According to the complaint Csaszar agreed to take a large sum of money out of Hungary for this person. The person preparing to escape paid in several installments 580,000 forints, 1,000 Swedish crowns, 500 Deutsche marks, and \$500 with the instruction that these funds were to be taken abroad and deposited at a Vienna bank in a coded account ("Rajmund UF 1269.") Since this person did not find the money in Vienna, he paid a visit to Csaszar who at that time was staying in Vienna. Seeing him, Csaszar ran to the stairway and awakened the [residents of the] house: "Help, gangsters!" The Vienna police arrived, Csaszar did not pay, and the Hungarian police officer is unaware of the continuation of the case....

This is where we stood in drawing the portrait of the main actor of "Foreign-Trade Gate," when the telephone rang and Csaszar announced himself. Having read the first [part of the] article he expressed a desire to respond to some of the statements right away, and agreed to answer any questions. Our conversation ended on Wednesday afternoon, and the reader will now receive a condensed version of Csaszar's most essential statements and answers to certain of our questions, rather than a dialogue, due to lack of space and time.

—Mr. Csaszar acknowledged the fact that at various times certain episodes in his life appear in different forms. According to REFORM, he left in 1982 with a forged Yugoslavian passport; in his summary written in jail for the FRG secret service (from which we quoted yesterday) he states that he left for the airport with a police honor guard, and from there to abroad. According to Mr. Csaszar the latter version is true, REFORM was in error.

—He acknowledges the fact that on one occasion he talked about escaping from the mental institution, and about release at another time. He now says that a female physician helped him escape in her FIAT-500.

—He acknowledges the fact that he forged his then wife's name on the note, because his wife did not know about the secret service actions for which the money was needed.

—He emphatically states that the Hungarian secret service was seeking contact with him and not the reverse; at the same time, however, he does not deny that he characterized someone to Hungarian counterintelligence as a possible spy, in his first report. He maintains that he had official relations with Hungarian counterintelligence even after the time when he was excluded from that network, according to authentic sources. He intends to prove this with business documents which mention Hungarian business contacts to which the path lead through counterintelligence, so he says.

—He corrects our statement in yesterday's issue which we made based on the REFORM article. According to this statement, after he departed to the United States, i.e. in 1987 (this is the correct date), the "Hungarian liaisons" who appeared at his place, and through whom he profited to the tune of \$150,000 were members of the Hungarian secret service. In this context the secret service could have played only a middleman role; according to Csaszar the persons guilty of corruption tried to silence him, they put together this amount.

—He acknowledges that he took away the money of "Rajmund UF 1269," but, as he says, he handed the money over to Hungarian counterintelligence because the amount had been embezzled.

—Csaszar complains that we printed the statement of the person who interpreted in the course of his trial



concerning his nervous condition. According to his statement the judge excluded this person from the hearing because he was biased.

Finally, two statements which compared to the above greatly deserve attention:

1. Csaszar names a member of the 1987 Hungarian political leadership. He says that it was with reference to this person that questions were asked from him while he was in the United States regarding corruption, and then he was asked to travel to Zagreb, which he did. There he talked with a certain Magda and Laszlo. We also located the former political leader. He did not cast doubt on the fact that he had heard of Csaszar in those days already; otherwise, however, his response was "No comment."

2. Csaszar flatly states that the West German secret service enabled him to escape from prison in 1984, as well as that he settled in the United States. According to this statement the West German prosecutor's office initiated tax investigations against firms whose people were also engaged in secret service activities. Two prosecutors wanted to use him as the lead witness in the case. This was contrary to intelligence service interests, therefore they organized his escape from prison. They did not issue a warrant for his capture. Following his escape he spent about 10 days in a Zurich luxury hotel with his secret service companion; a detour followed thereafter, and then the flight to New York, with his companion. He received a visa on the spot, as well as a green card [resident alien certificate] without problem. This was needed to enable him to accept employment and to settle. [There were no problems in receiving the green card] despite his past, just as the German secret service promised would happen. Csaszar: "The German authorities knowingly provided false information to the Los Angeles immigration office where I received this. In this way I am a German citizen with an impeccable background." This secret service commitment, however—if there indeed was one—was by no means valid in 1988, when he was arrested at the Amsterdam airport and returned to prison.

What can we add to the above? We too could say "No comment." We could say that we agree with Csaszar: "I

am not a Maltese Knight." Most likely the Maltese Knights would not object to this statement either. In other words, the fact is that Vilmos Csaszar has cheated, kidnapped a human being, forged a signature, all of which had an influence on his credibility. Aside from that, however, he may have real documents about actual cases of corruption. But are there such documents? He is correct in regard to one matter: The time has come not to talk about Csaszar, but about the things he has in his hands, and in his safe.

[Box, p. 7]

Vilmos Csaszar: Born in Csepel, 24 January 1942. After graduating from high school he attended law school. He unsuccessfully tried to escape in 1962. He was directing cameras at the television. In 1970 he left for the FRG. In 1982 he was arrested for three weeks in Austria for spying, thereafter he was banned from that country until the year 2022. On 22 December 1982 he kidnapped and held hostage for a few hours the head of the Hungarian trade delegation in Munich. For this he was sentenced to three years in prison. On 20 September 1984 he used the furlough received at prison to travel to the United States. A Hungarian liaison met with him even there, according to his statement. In 1987 he met with Hungarian agents who have high level authority to question him about cases of corruption, so he says. In 1988 he was arrested at Amsterdam airport based on an Interpol warrant. After completing a further prison term he was released in October 1989. He has been in Hungary since the spring of 1990.

Labor Minister on Wage Policies, Office

25000736E Budapest MAI NAP in Hungarian
18 May 90 p 5

[Interview with Labor Affairs Minister designate Dr. Sandor Gyorivanyi by (kurucz); place and date not given: "Smallholders Accepted a Ministry Laden With Risks"—first paragraph is MAI NAP introduction]

[Text] Dr. Sandor Gyorivanyi was nominated to head the newly reconstituted Ministry of Labor Affairs. He is 63 years old. He obtained his doctorate in the field of industry and technology. For years he taught his specialty. Since last year he has served as the Independent Smallholders Party (FKgP) secretary for cultural affairs.

[Gyorivanyi] This high office was elevated to a much higher level by turning it into a ministry. I lived through a period in the ministry when they regarded it as superfluous and changed its status back into an office. This caused concern for many in those days. The present situation may provide cause for optimism to many. One should ponder the fact, however, that this ministry is always established when the country experiences great [unclear].

[unclear] What will happen to the officials at the State Wage and Labor Affairs Office?

[Gyorivanyi] A certain fear about the future evolves in the course of every reorganization. Based on several years of experience I can say that reorganizations are not accompanied by such serious changes. Quite obviously, some functions will be changed or will cease to exist. We try to resolve possible problems in a humane manner.

[kurucz] You will have a difficult job. Many believe that your party made a tactical mistake in accepting this ministry laden with risks.

[Gyorivanyi] I am convinced that Jozsef Antall chose me because I have worked in labor affairs for 35 years. My professional experience saves me from fear. During the past years I was able to prepare myself for the challenge of the new era: I dealt with the labor affairs problems of privatization. I tried to prepare for the requirements of a market economy which are different from what we had had thus far. The grocer in a small store, the employee of a large department store, small trade apprentices, and large industry workers all must be taught in different ways. At present our largest task is the composite training of physical workers. Thereafter they cannot be faced with critical situations when workplaces cease to exist.

[kurucz] Would you recommend wage increases?

[Gyorivanyi] My main principle is this: If a person performs work at Western standards, he should deserve to receive wages by Western standards. We must not forget this whenever renewed wage demands occur.

Minister Designates Discuss Their Outlook, Plans

25000739A Budapest NEPSZABADSAG in Hungarian
22 May 90 p 5

[Summary of nomination hearings for minister designates by parliamentary committees, based on MTI [Hungarian Telegraph Agency] reports]

[Excerpts] [passage omitted]

Geza Jeszenszky, Foreign Minister Designate for Foreign Affairs Committee

A balancing role between the great powers, for which there has been more than one example in Hungary's history, appears to be appropriate at present. Among the foreign policy priorities he mentioned that the country must be steered back toward Europe. At the same time, our unavoidable break from the Soviet Union must be accomplished with the far-reaching observance of our national security interests. In stressing the importance of relations with neighboring countries he mentioned the Polish, Czechs, Croatians, Slovenians, and Bulgarians [as people] with whom friendly relations may be established in the near future. He envisioned the possibility of establishing proper relations with the Slovaks, Serbians, and Romanians. Jeszenszky stated that our leaving the Warsaw Pact, and the discontinuation of the Warsaw

Pact, is the condition for the collective European security system, while he felt that a zone free of nuclear armaments extending from the Baltics to the Balkans is more important in a given situation than neutrality. [passage omitted]

Ferenc Madl, Minister Without Portfolio Designate for Foreign Affairs Committee

Despite the authorship of more than ten books and countless publications in Hungary and abroad, law professor Ferenc Madl, minister without portfolio designate, appeared before the representatives as a lesser known personality. It is not hard to assume that the experience of this minister without portfolio in his field of expertise, knowledge of the legal aspects of the organizations of European integration, will be needed in the course of linking Hungary to the organizations of Western integration. [passage omitted]

Lajos Fur, Defense Minister Designate for Defense Committee

From the three-hour question and answer session it is worthwhile to point out the way Lajos Fur views Hungary's membership in the Warsaw Pact. In his view, our ultimate goal is the establishment of international sovereignty, but at the moment we are unable to make a unilateral decision concerning our departure from the Warsaw Pact. The problem must be resolved by negotiations. [passage omitted]

Ferenc Rabar, Finance Minister on Committee on the Budget, Taxation, and Finance

In his introductory remarks Finance Minister Designate Ferenc Rabar said that the Finance Ministry will take over the functions of the old Planning Office and the Pricing Office. This may discontinue institutional fragmentation and the evolution of a real executive organ for economic policy. Harnessing inflation is the short-term precondition for healthy economic functioning. This is very difficult because all [measures] that stimulate the economy create new inflation, i.e. only a very narrow path is available to the economic leadership. The fact that economic policy should not be subordinated to budgetary needs is also important.

Responding to a question asked by Representative Klara Ungar [Association of Young Democrats—FIDESZ], the minister designate said that from among the various materials prepared by experts he intends to rely primarily on the program developed by the Bridge Group. He went on to reassure those present that they have not prepared a new budget, they are only trying to be responsive to the agreement with the International Monetary Fund.

Following remarks made by Ivan Petho (Alliance of Free Democrats—SZDSZ) we learned that within two or three weeks the new financial leadership will have reviewed the entire budget. They are trying to untangle the intertwining of monetary and fiscal policies by

placing monetary policy under central bank jurisdiction. Committee Chairman Karoly Attila Soos expressed concern about the fact that henceforth relations with the IMF will be under the jurisdiction of another economic ministry. Rabar replied by saying that he cannot perceive another ministry dealing with this issue.

In conclusion it was said that the finance minister designate will select his associates based primarily on their professional qualities and human attributes, which also includes instinctive factors. Moreover, it is conceivable that he will have a state secretary from the Socialist Party.

Ferenc Jozsef Nagy, Minister of Agriculture, and Jeno Gerbovits, Minister Without Portfolio on Committee on the Economy

[passage omitted] In his response the minister designate strongly objected to the fact that [representatives on the committee] made a mockery out of the deprivation of rights suffered by several hundreds of thousands of people by questioning the feasibility of [the government's agricultural] program. Nagy did not say much about the technical details of implementation, on the other hand he regarded land claims established by those who presently work in cooperatives as just, saying that they should be given the land if they claim it. Gerbovits, the minister without portfolio designate—also from the Smallholders Party—did not agree with the latter statement. He felt that the fact that a person has worked in a cooperative for a year or two did not establish a legal right to become an owner. Also in other respects Gerbovits was against the idea that anyone who was not an owner [before] should receive land free of charge.

In his other remarks Gerbovits was very unequivocal concerning the fact that only [the institution of] land ownership must be restored. "Private property is one and indivisible, and citizens are entitled to their former property the same way as peasants," he said. [passage omitted]

Transportation Minister Csaba Siklos Interviewed

25000737A Budapest NEPSZABADSAG in Hungarian
28 May 90 p 7

[Interview with Minister of Transportation Csaba Siklos by Gyula Fejer; place and date not given: "Step-By-Step Toward the Market"—first paragraph is NEPSZABADSAG introduction]

[Text] Csaba Siklos is 49 years old. He is a traffic engineer. He was born in Budapest, and his father worked for the railroad. Following his years at the university, at first he worked for the Hungarian State Railroad, then for the German railroad and the Gyor-Sopron-Ebenfurt Railway [GYSEV]. Beginning in 1973 he was assigned to the Budapest headquarters of the enterprise as a division director.

[Fejer] You started out as a track worker, and now you are minister of transportation and communications. All your activities thus far have linked you to the railroad. Has this ministry once again acquired a minister who is involved with the railroad?

[Siklos] Yes, there is no denying that. Obviously, a person who is involved with something for a long period of time will do so not only for the money. He may even like what he is doing. Naturally, the railroad is closest to my heart. At GYSEV it was my job to direct the enterprise's technical development and investments both in Austria and in Hungary. But even at this small company it was not possible to deal exclusively with the railroad. The conditions for productive operations had to be established while observing all the activities of the enterprise. Actually, the same applies to a larger entity, to the country as a whole. A long time ago this ministry was involved in two areas: the railroad and the postal service. The predecessors were in a more comfortable situation than the successors, because the successors must pay attention to a much broader area.

[Fejer] Indeed, and in addition, attention must be paid to fields all of which are investment intensive, whether they have to do with flying, sailing, the railroad, public road transportation, or perhaps telecommunications. From where will we suddenly receive money to improve our miserable situation?

[Siklos] I am unable to provide assurances in this regard, for the time being. In any event, however, I would like to point out that frequently money is not the issue. We would already be one step ahead if it were possible to prevent waste and the improper taking advantage of opportunities. I should mention here that there appears to be a significant willingness to help on the part of West Europe and America to develop transportation and communications. They are aware of the immeasurable significance of this field in boosting the economy, improving the general feeling of the people, and developing foreign tourism.

[Fejer] Transportation is increasingly based on commercial considerations. But mass transportation enterprises have difficulty conveying commercial endeavors in the prices they charge, because they are receiving less and less state support, their situation is gradually deteriorating. What is the solution?

[Siklos] That is a very difficult issue. They endeavor to provide subsidies to mass transportation in every country. I know Austria best as a result of my work. If for no other reason, to relieve somewhat the overcrowding of the road network. In my view we cannot do anything else either. But our price system deviates from real market conditions in so many areas and to such an extent that changing the price system overnight could not be accomplished without great disturbances. In other words: We must proceed in changing prices step by step in the direction of market conditions.

[Fejer] It is publicly known that as far as the telephone service is concerned we rank at the bottom among European countries. The program for the quantitative and qualitative development of the telephone network by the millennium was established by the outgoing government. In your view, can the promise of 2 million telephones within a few years be fulfilled in Hungary?

[Siklos] I am trying to obtain information as fast as possible in regard to fields with which I have not dealt up close in the past. Telecommunications is one such field, and it is of outstanding significance. I have more or less familiarized myself with the 10-year program for the development of this field. I regard the plan as a thorough, realistic piece of work, even though it will certainly require more detail and corrections. At present a new situation has presented itself, with new people, who view things differently perhaps, but I emphasize: The program is acceptable, and as far as I know at present, it can be implemented. I am convinced that by the millennium we will be witnesses and beneficiaries of a sudden qualitative and quantitative improvement in Hungarian telecommunications.

[Fejer] Do you have a team already; will there be personnel changes?

[Siklos] Of course there will be changes. Two criteria count in selecting leaders: professional suitability, and acceptance by subordinates.

[Fejer] Would you perhaps be holding enterprise referendums?

[Siklos] Well, I wouldn't say that. But all of us have pages filled with words, figuratively speaking. Whoever has had anything to do with people at the workplace does not start with a clean slate.

Interior Minister on Police, Local Government Philosophy

*90CH0187A Budapest NEPSZABADSAG in Hungarian
6 Jun 90 p 4*

[Interview with Interior Minister Dr. Balazs Horvath by Gy Attila Fekete; place and date not given: "The Minister of the Interior: Money, Horses, Weapons for Everyone"—first paragraph is NEPSZABADSAG introduction]

[Text] The new interior minister, Dr. Balazs Horvath, is a 48-year-old jurist. Previously he practiced law in the Veszprem No. 2 lawyers collective. He is chairman of the Hungarian Democratic Forum [MDF] county organization, is married to an actress, and has two daughters.

[Fekete] You are among those who were known by only a few just some weeks, months ago.

[Horvath] True, I have not been involved in politics except for the past two or three years; I never was a member of the Communist Youth Association [KISZ] or the Hungarian Socialist Workers Party [MSZMP] simply

because the bygone system was not for me. This, however, should not be understood to mean that I did not take part at all in public life. I believe that I am regarded in Veszprem as a well known lawyer. In addition I am a member of the National Council of Lawyers and chairman of the Nagyvaszony Horse Club.

[Fekete] How did you begin your active political involvement in the MDF?

[Horvath] I believe that my upbringing played a decisive role in this regard. I come from a religious family, I myself am a Roman Catholic. I liked the idea that the MDF was oriented toward Christian ideals from the beginning, and the Forum's nation concept was also convincing. I received a patriotic upbringing from my family, this in the most noble sense of the term. At the same time my mother, who held the family together after our father's death, was extremely careful about observing that I did not pursue nationalistic, or, God forbid, racist excesses. Along with all this I was impressed by the MDF's current policies, the one that became our slogan later on: "the calm force." Namely, I realized that this country could not bear another catastrophe like World War I, the Arrow Cross rule, the second World War, or the reprisals that took place after the 1956 Revolution.

[Fekete] You were elected to Parliament from an individual voting district. How will you represent your constituents now that you have become a minister?

[Horvath] I made it clear already at the beginning of my election campaign that I do not want to be the old type, lobbying representative of the district; i.e. that I do not regard resolution of sewage problems as my task. I agreed to work hard for a Hungary in which individuals, local communities, may at last take their fate in their own hands, and that they will receive money, horses, and arms to realize their goals. I explained in my individual program just how this will be accomplished. Citizens of the 6th voting district in Veszprem voted for me, aware of all this.

[Fekete] Relative to your appointment as minister many recalled the story of the robber turned into a pandour.

[Horvath] This is truly an honor, because according to the story, robbers make the best pandours, and I would like to be a good minister of my ministry and of the country.

[Fekete] According to experts you inherited a state administrative apparatus that is on the verge of falling apart, and a police that has been put down on the floor. What are you going to do with these?

[Horvath] As far as this kind of advice is concerned: The state apparatus and the police are far from having fallen apart to the extent that this is rumored. I am getting a feeling that there are certain people who want to disintegrate the apparatuses by making these claims. Doubtless, people are escaping. But in my view only those people, more accurately: primarily those people are escaping who have never regarded public service as their profession.

The situation is different with the police. I was sorry to find that the professionals are escaping from the police. I have in mind here the famous-infamous III/3 experts, the follower types, the technicians who installed the listening devices. I must say that I feel sorry for them, because they only executed orders, after all. And assignments like these will exist also in the future. Quite naturally, the difference will be that these devices will not be aimed at political opponents, but let's say surveillance will have to be maintained over smugglers and other criminals. At the same time, the operative officers, the ones who issued the orders and evaluated the information received, either disappeared without a trace, or took early retirement.

[Fekete] Retaining the professionals is primarily a money issue—presumably. Both the police and the council workers demand a 50-60 percent wage increase. Will you have enough strength to secure this kind of increase for them?

[Horvath] I do not know how much money I will be able to squeeze out of the budget. On the other hand, I know that wages must be increased in both of these areas, and I agree to fight for such wage increases.

[Fekete] Even if this creates adverse feelings on the part of society? Aware of the police success record, some people are already claiming at this point that "they do not deserve even their present wage."

[Horvath] Even then. Namely, one has to recognize that the past dictatorship did not pay enough even to its own support. It had all those things performed by the police, it expected a vocational commitment from them, all for free. But one must not forget that the Hungarian police was not the police of the party state as it appeared, or as outsiders thought. I dealt exclusively with criminal cases in my legal practice, and within that mostly with negligence cases. I did have an opportunity to familiarize myself with the professional police. They understand their business, and they were most outraged whenever political considerations were forced upon them. It is yet another matter what they would be capable of doing, considering their given technical equipment and training. And one must recognize that the fact of being underpaid in and of itself favors counterselection. The press is filled with reports that the best professionals are leaving the organization for three times their salary. Policemen are coarse. But what else could they be when their pockets are empty? How could we expect them to control themselves when they catch a thief and on occasion they find that he has hundreds of thousands of forints on him?

[Fekete] At your nomination hearing there was some discussion about what you will do once you are in office in regard to policemen involved in politics, and how you will make this part of the police past forgotten.

[Horvath] The police must be cleansed of all superfluous functions. From a practical standpoint, a new image must be carved for that body. A self-cleansing process will begin within the organization if we succeed with

this. Until this takes place I would not want to see a single policeman as a member of a political organization.

[Fekete] In the course of your earlier work, did you also manage to acquire similar professional knowledge concerning autonomous governmental bodies?

[Horvath] I believe that I have been a democratic minded person all my life. And the foundations of democracy are strong autonomous governmental bodies built from the grass roots. It is no coincidence that every dictatorship starts reigning by disintegrating small communities and self-organizing groups. At the time debate was raging within the MDF as to whether the Forum should be a party or a movement in the future, I had the good fortune of being able to participate in the writing of new bylaws. Subsequently I took part at the roundtable negotiations in regard to drafting laws concerning the right to associate and the management of [political] parties, which enabled the possibility that a community—the MDF in the given situation—could stand up for its political goals without having to surrender its character of being a movement. I believe these provided quite an "education."

[Fekete] But you, as minister, will have to propose laws as to how people should organize themselves at the local level. Isn't there a contradiction here?

[Horvath] There is. But in my view autonomous governance is not a matter of law, but of a system of relationships. That is why I would like to see the law concerning autonomous governmental bodies become only an overall framework. The content would be provided by the citizens of individual communities.

[Fekete] When is this law going to be finished?

[Horvath] I very much hope that Parliament will enact it during the second half of June, and then local elections may be held at the end of September. We will have to amend a number of laws, of course, and create a few new ones in order for local governmental bodies to function. The land issue must be settled for instance, the management issues, and the rest.

ROMANIA

Swedish Reporter Surveys New Romanian Press
90BA0150A Stockholm DAGENS NYHETER
in Swedish 23 May 90 p 3

[Article by DAGENS NYHETER columnist Ana Maria Narti: "Rhetoric Obscures News Flow"—first paragraph is DAGENS NYHETER introduction]

[Text] There is growing distrust of TV and radio and the Romanians are buying an increasing number of newspapers. But the great variety is partly an illusion, according to Ana Maria Narti in her report on the new Romanian press. The country has only one news agency.

The Romanian spring has been a spring of newspapers. Daily life is exploding in a large variety of new, old, and

new-old—in other words resurrected—daily and weekly papers; local and central publications turn up day after day; one can find sale outlets anywhere on the streets, morning and evening. Reading papers has become a favorite pastime—the theater, movies, and all kinds of entertainment have lost their power of attraction.

The first questions one asks when one comes into this newspaper paradise concern the mystery of financing. Where does the money that is so liberally invested in journalism come from? What do the finances of the papers look like? How long can the market for political publications keep on expanding?

The questions are fated to remain unanswered for the present. Many old newspapers continue to live on state subsidies, some are privately financed, some editorial boards are turning themselves into self-owned stock companies, but none of these economic structures promise long-term security.

An acquaintance, a theater director, has opened his own private theater and has started publishing his own cultural and political weekly called SCORPION after the theater. At the same time he is getting ready to open a nightclub in the same location. I asked: "Where does the money come from?" and got an amazing answer which I later heard often from others: "Money? There's plenty of money. If you don't have any it is easy to borrow some."

Either the Romanians have been forced to save like mad for many years because of the chronic shortage of goods, or the state authorities—under both Ceausescu and the new provisional government—have tossed out an enormous amount of currency to create the illusion of an economic miracle. There are probably other financial sources too; at present foreign investments are theoretically problematic, but in practice, large sums of money that have come from abroad via all kinds of likely and unlikely informal channels are already in circulation.

The methods used to get a new paper going are highly unconventional. The editor or the proprietor goes to the printing plant and offers the workers a better fee than they received before. The printers do not consult any supervisors about anything, they leave the old customers' manuscripts half-finished and quickly start getting things ready for the new one. Freedom of speech must battle with a severe paper shortage, but the biggest difficulty is connected with the inadequate production capacity. For this reason all press people dream of having their own printing company.

People buy anything that looks like a paper—out of curiosity, a desire to make comparisons, pure political

zeal, collector's mania. Distrust of the airwaves media is mounting and readers try to "correct" what they view as radio and TV manipulation by studying a large number of newspapers. And many of the new parties put out their own journalistic products—on a daily or weekly basis. The last time I visited the country there were 64 parties; viewed from the outside the variety is infinite.

When one starts to read one discovers that this large variety is partly an illusion, not because the opinions are similar or influenced by a few dominant attitudes; on the contrary, all types of thought and expression come to the surface and the language has undergone a rebirth, but most of the articles that are published fall into the same category. The majority of the material that is printed is polemical, commentary—usually ironic or sarcastic—a debate on ideas, analysis. Some writers have succeeded in becoming authors of a cohesive, strong and unusually balanced body of individual political journalistic work. The best of them is essayist Octavian Paler whose article appeared in DAGENS NYHETER's "Page Three" column on 22 April, formerly known as a dissident and author of a dreamlike prose, today one of the front's most active critics.

But I still missed information, objective and concentrated news, presented under clear headline with a layout that indicates what is most important. Neither journalists nor readers seem to care much about calm, reasonably objective, factual reports.

Decades without freedom led, quite naturally, to ignorance. In practice this also limits the possibilities for achieving quick results in the effort to bring out the news. The country, like most other East European states, has only one news agency. Contacts with big international editorial offices are few and unsystematic. The Romanian news agency is the same one they had under the dictatorship when it was called AGERPRES, but it has now acquired a name with a patriotic ring, ROMPRES. Working methods do not seem to have undergone a revolutionary improvement; many newspapers do not trust the material they get via this news service. But there are no other sources. Even the big daily papers have been unable to build up their own editorial staffs over the entire country quickly. Technical and economic barriers also make the work more difficult.

When I visited the country at the end of March I saw large groups of soldiers demonstrating on Victoria Square. The papers printed long commentaries and reports on the dissatisfaction of the military forces, interviews with soldiers, generals, and politicians.

But not until I was on the plane did I see clear and concise information in LE MONDE. The provisional government had decided on Tuesday, 27 March, to extend the length of military service. On Wednesday the 28th, the soldiers protested. On Thursday the 29th the decision to extend military service was revoked. A dry and concentrated account strikingly illustrated the provisional government's irresolute position—or perhaps its

game of making populist concessions. The rhetoric in the long Romanian commentaries obscured the everyday political picture.

The paper that has become the voice of the democratic opposition is ROMANIA LIBERA (Free Romania). Three of the members of the editorial board—Petre Mihai Bacanu, Mihai Creanga, and Anton Uncu—were arrested in January 1989 for attempting to publish an anti-Ceausescu paper. They were given a harsh sentence along with the graphic designer who helped them—Ion Chivoiu. Many of ROMANIA LIBERA's staff members were persecuted prior to 23 December. Now the newspaper is run by the three journalists who were arrested. Petre Mihai Bacanu has become chairman of the new journalists association.

During a visit to the editorial office I met an elderly gentleman, a retired civil engineer. He had come all the way from the Jiu valley to Bucharest just to report his observations concerning the miners' invasion of the capital, an important political event in the continuous struggle for democracy. The man sat facing the editorial secretary and presented his evidence and arguments systematically.

Well-informed citizens with initiative visit the editorial office daily; no one has the patience to write articles or letters. A great many articles are based on dialogues like this. The public is literally part of the editorial process.

ROMANIA LIBERA has big problem to contend with. The journalists say they could publish 4 million copies, but the paper shortage and especially the inadequate production capacity limit circulation. In March it stood at 1.5 million, in April it was forced down to 850,000. Nor does the newspaper reach the entire country. Some shipments mysteriously disappear during rail transport—it is said that large bundles are thrown from the mail cars or burned—others are not delivered on time.

During the election campaign the paper needed optimum conditions to cope with the wave of propagandist namecalling indulged in by the other big daily paper: the former party newspaper, now called ADEVARUL (Truth), which is totally committed to the politically dominant National Salvation Front. Between ADEVARUL and ROMANIA LIBERA, whose editorial offices are housed in two wings of the same building, intensive conflicts are increasing. Journalists who have been friends their entire lives can no longer talk to each other.

The papers are constantly trying to improve their financial and technical conditions. ADEVARUL gets support from the provisional government in the form of larger supplies of paper, better technical conditions, reliable distribution.

ROMANIA LIBERA, on the other hand, has to struggle under adverse conditions. The editorial board tried to acquire freedom of action by buying a secondhand

printing plant from a Finnish company. The negotiations went on for a long time and seemed to be nearing a satisfactory conclusion—ROMANIA LIBERA is an excellent investment, because the paper sells so well. But the deal fell through when the foreign partner decided to simply buy the entire paper! The political situation does not permit this kind of arrangement. The propaganda against foreigners has done its work. The front's supporters have succeeded in convincing many people that the "capitalists want to buy up the country." An editorial board opposed to the front cannot even allow the representatives of foreign capital to pay a visit unless it wants to be exposed to destructive mudslinging. And the ROMANIA LIBERA journalists are addressing the masses, so the only thing they can do is form a stock company themselves and become their own owners, which is not entirely without problems.

A visit to the other big opposition paper, 22, gives a totally different impression. The editorial board is located in the center of the city, unlike ROMANIA LIBERA which occupies an out-of-the-way, rundown, inconvenient, and pompous Stalinist building that was called Casa Scintei (Spirit House) not so long ago. In contrast, 22 is written and edited in a lovely remodeled and not too large patrician dwelling.

The weekly paper 22 is published by a loose association of obsessed individualists and academicians—the Group for Social Dialogue. It is the goal of the group to never become a party, never try to seek its own strong positions in professional politics; it functions as an independent watchdog and discloser of unsatisfactory conditions regardless of the affiliations of those who are responsible.

When I went into 22's editorial office for the first time I thought I had wandered into a living historical tableau: men aged 20-30, most with beards and quite long hair, sat around a table covered with manuscript pages, discussing and writing together—like a picture from 1848. It is a strong publication, especially as a result of its revelations of the secret history of the Communist Party and its policy of giving space to the new mass organizations: the real trade unions and the Christian movement. In addition the paper is distinguished by the constant cooperation of some of the country's best writers, among whom sociologist Pavel Cimpeanu is the best-known.

The editorial office of 22 has also become a destination for many citizens who come there to report on everyday political crises, but the place most resembles a rallying point for young and well-educated rebels. They are all friendly and courteous, speak good French, and often pretty advanced English as well, but people come and go and visitors must accept being pushed aside now and then—urgent new events set the tempo for a mild but intensive ritual war dance.

Several weeks after my encounter with the new Romanian press the big demonstrations that came to be called the Timisoara movement began. The demands were simple: The Communist Party and the secret police brought about the catastrophe, their leaders should not be allowed to run as candidates in the election. Freedom of speech must be guaranteed, among other things by allowing the establishment of independent radio and TV stations. There must be a purge of the government, the justice system, and the prosecutors' office. A nonpartisan investigation of human rights violations committed during and after December 1989 must be initiated, etc.

The journalists from ROMANIA LIBERA and 22 were in the front line, writing and speaking. At first it looked as if their big educational efforts were starting to have an effect, but the election results on Sunday, 20 May, were discouraging, though expected. Populism and corruption, violence and confusion won. Opposition journalists are called on to move mountains.

YUGOSLAVIA

Kosovo Albanians Arrested for Arms Smuggling
90BA0138B Belgrade POLITIKA in Serbo-Croatian
18 May 90 p 16

[Article by S. Ristic: "Ten Automatic Rifles Confiscated"—first paragraph is POLITIKA introduction]

[Text] In two automobiles 236 cartridges for these rifles and 250 cartridges for small-caliber firearms, as well as six bayonets, were discovered. The vehicles entered the country at Sentilj.

An operating group of the Internal Affairs Council of the Federal Republic of Serbia apprehended two smugglers yesterday on the Prokuplje-Pristina road, in the village of Beloljin, and took from them an appreciable quantity of firearms. Ten automatic rifles, six bayonets, 236 cartridges for automatic rifles, and 250 cartridges for small-caliber firearms were skillfully hidden in the two automobiles.

An Opel Kadett, Ljubljana registration LJU 571-679, owned by the Kompas rent-a-car, and an Opel Ascona, Pristina registration PR 776-20, owned by Ahmeti Nefis from the village of Perana near Podujevo, were stopped for a check. Driton Zjeci from Podujevo, employed as a mechanic at the "Podujevo" Automobile Company, drove the first automobile. Baskim Hodza, a merchant in the "Zitopromet" store, was at the wheel of the second car, according to Boro Tomic, undersecretary in the Republic Internal Affairs Council of Serbia.

The disassembled automatic rifles were hidden in the door panels, under the front fenders, and under the rear bumper. The rifles, make SA 85M semiautomatics, caliber 7.62 x 39, produced in Hungary, were purchased in Switzerland at a cost of 600 Swiss francs apiece. Smugglers Zjeci and Hodza drove from Switzerland to the

Sentilj border crossing point, because cars with Ljubljana and Pristina license plates pass easily through the border guards there, without a close check.

The smugglers could not find an excuse this time except that Albanians value and love weapons. And for a "great love," ten automatic rifles are a lot. Such rifles sell on the illegal market in Kosovo for a price of 3,000 to 4,000

West German marks apiece. Naturally, they are not earmarked for hunting or sport, but are stored in the separatists' arsenal.

Criminal proceedings against the two smugglers will take place in Prokuplje before the District Court, since the act occurred on the territory of Prokuplje Township.

HUNGARY

Changing of Guard Observed in Defense Ministry

25000739C Budapest NEPSZABADSAG in Hungarian
25 May 90 p 1

[MTI [Hungarian Telegraph Agency] report: "Lajos Fur in the Defense Ministry: New Military Doctrine Needed"]

[Text] Provisional President of the Republic Arpad Goncz was present at Thursday morning's leadership meeting held at the Ministry of Defense, at which Lajos Fur, the new leader of the ministry, was introduced, and retiring Minister Ferenc Karpati was sent off.

In his brief remarks Goncz said that these days the Hungarian Honved Forces are indeed transforming into the Honved Forces of the Hungarian people. His message to those who in earlier days professed different convictions, or found it difficult to serve, was that there is a need for every soldier who is willing to defend the country. He asked everyone to continue his work without anxiety and tension.

Ferenc Karpati stressed that soldiers have kept in step with societal changes, they have understood the need for transformation, and thus, he yields his post in good conscience.

In his introductory remarks Lajos Fur emphasized that a changing of the guard is taking place in Hungary, as well as in military life at present. The era of the party state has also come to an end in the life of the Hungarian Honved Forces. The National Assembly and the government face two great tasks: to establish democratic order in the economy, and to restore the country's and the nation's sovereignty. This will take time.

Military reform that has begun under the previous government and the military leadership must be streamlined with changes in the international scene. All of this demands that the Hungarian Government develop a new security policy concept. This concept must be adapted to a changing Europe and to changing Hungarian conditions. We must also formulate a new Hungarian military doctrine which concentrates exclusively on the defense of the country. The offensive character of the Hungarian Honved Forces must be abandoned, and we must loosen the strings which tie us to the Warsaw Pact, Fur said.

CZECHOSLOVAKIA

State Security Agent Writes to Daily

90CH0190A Prague LIDOVE NOVINY in Czech
24 May 90 pp 1, 8

[Article: "State Security Agent Has Come Forward"]

[Text] At the LIDOVE NOVINY editorial office we have recently received an important letter by unusual means. We cannot say anything more because to do so would threaten the safety of the informer. The letter is not anonymous but is written in enough detail to identify the writer. We of course won't do this but, after consulting with the appropriate office, we have decided to publish only the information that the public should know about. Even though it is certainly possible that the letter contains a "provocation" by the former disinformation network, the facts presented in the letter are sufficiently serious, that we consider it necessary to make them available to our readers.

It is probably unusual for you to receive letters from State Security (StB) agents. I hope you will realize why I have written the letter after you read it. Our entire society is in danger and I feel it is time to speak out.

In the beginning of my activities as an StB informer I was told that I would have only one supervising officer. Actually, I came into contact with 12 at different times. This means that I came into contact with higher and higher StB offices. During conversations with them one officer was always present. He spoke Czech, but the letter "h" caused him trouble.

The year 1968 was tragic from the beginning. Even during the first indications of liberalization senior StB officers made no secret of the fact that they were counting on armed intervention. I was told that even if StB offices were forced underground for a time we would remain involved in an activity regulated by special procedures. What would remain active would be a so-called dead network of agents that would wake up as necessary along with a master spy to perform intelligence operations and sabotage.

There is no need to comment on what happened after 1968. Large number of StB informers paid the price for welcoming the temporary liberalization as a release from their dishonorable tasks.

1. Our State Security is modelled exactly after that of the Soviet Union so that it can be managed without any modifications. While the USSR really does have "elite", relatively weak operatives in the middle ranks, and an extensive apparatus in the lower echelons, our situation is somewhat different. We have almost no "elite"; their place is taken by "advisers". We have relatively strong and numerous midlevel operatives, and relatively weaker lower echelons.

2. The StB Project 17 November was conducted as a provocation conceived by Soviet advisers with the absolute approval of the CPCZ. It was based on a simple principle. The StB can control members of the society who it has compromised, but young people have not been compromised, cannot be controlled the same way, and therefore have to be threatened and broken by violence. This project was scheduled for 17 November, when large numbers of young people were expected at a demonstration. The Soviet advisers made a grave error here because they did not recognize the mentality of a nation in a stressful situation. What happened, in fact was the so-called Blanik knights phenomenon. This is a nationwide mobilization of force in an incredibly short time and in a highly organized fashion, even though there is no formal organization. This is an immense force which no power can oppose, but it lasts a relatively short time. The necessary organization was formed during the marches. The "phenomenon" has occurred only a few times in Czech history. It is, however, known from our early history and occurs in situations when the foundation of the nation is threatened (the 1938 mobilization, the May 1945 uprising).

State Security understood that it had lost and went underground. The StB leadership continued, however, in another form. It did not, however, allow itself to make grave errors like the Securitate in Romania.

3. People become informers when their freedom is threatened because of a discovered crime, deviant sexual behavior, etc., and they are more or less forced to become informers. Only those people are chosen as informers who have access to society. The StB is most interested in informers with access to highly placed individuals, and such people are forced to inform at a high level after being compromised. Volunteer informers are very much the exception, and are usually people with mental problems who derive pleasure from the power that comes with "denunciations".

The most dangerous informers are opponents of a totalitarian regime who have been broken during interrogations or in prisons and begin to serve the StB.

The network of agents has gradually reached the upper levels of industry, culture, the government and it can only be stated that the Party and the CPCZ Central Committee were without exception run by the StB.

It would be a mistake to think that all informers are assigned to eavesdropping and denunciation. Once a potential informer is identified, usually an intelligent and highly placed individual, that individual becomes the object of special attention and is "pushed" to a higher position. He also receives intelligence training. The potential "informer" can never be the direct instigator of the arrest of a citizen. These elite informer-agents, you see, do not know each other, but are handled by a master spy in a civilian occupation.

The higher levels of management are very similar to those of the mafia. The controlling StB personnel are

dispersed mainly within foreign trade enterprises, in ministries, and in other state institutions.

4. One can expect pressure from the public to disclose the names of informers and, understandably, their censure. The StB supports these demands. The lower ranks of informers are no longer of interest to them, so they can use them to divert the attention from the leaders and satisfy public anger. During this time the most dangerous agents are moving into influential posts, and will conduct their affairs according to instructions. Lists of this network of StB agents will not be found in this country.

The planned, and partially completed liquidation of bureaucratic centers, foreign trade enterprises, ministries, etc. is a very dangerous policy. The former functions of monitoring and controlling the highest levels of government have now shifted to the "management of sabotage", which is intended to sow dissatisfaction in the general public leading to the return of the old guard.

They have already succeeded in wresting the right to occupy managerial positions during the transition to production and other organizations. These people certainly include members of the "dead network" who will be activated. We are witnessing the suppression of true experts by imposters who will proceed to freeze enterprise development...There is no effective measure in place except a revocation of the promises to allow retention of senior positions. We must recognize that most of these senior and line managers at the workplaces in question are responsible for the unhappy state of our economy and are not qualified for these positions.

Despite this hopeless situation there is one weakness of the StB, namely the localization of its operations. To conduct operations that cannot stand the light of day and which are frequently illegal it is necessary to have conspiracies and a very tight front of relationships, know the "terrain", and maintain contacts under previously agreed upon conditions. If an StB employee, even the most powerful, moves to an environment that is unfamiliar he immediately becomes powerless. If his agent moves that agent loses value not only for his controlling office, but generally as well for at least several years. Conspiratorial work simply does not handle moving very well. I therefore suggest as a preventive measure a nationwide relocation of Ministry of the Interior (StB) employees. Similarly, employees of foreign trade enterprises and similar institutions should be relocated.

...The upper levels of the StB are managed from abroad. A network of agents has been built from abroad, is now waiting, and has a completely neutral appearance. Even agents that will be counted on in the future sometimes have no idea that they will be put into play.

The vast majority of informers and more important agents have been recruited based on compromising information. It often happens that the compromising situation has been prearranged. However, work for the StB does not free a person, but immerses him further and further in a feeling of guilt. During "realization"—the

imprisonment of a citizen—the informer becomes the direct cause, the perpetrator. Informers are therefore in a constant state of fear that breaks them down on two sides.

In the current political situation informers are further weighed down by the fear of discovery and its consequences. On the one hand the informer is glad that his "work" is over for now and is genuinely happy about the political change, while at the same time his fear of discovery increases. Higher level agents are not as afraid of disclosure and, moreover, have clean hands because they have not been guilty of anything. They, however, are afraid of the activities that they will be forced to engage in after activation of the intelligence and mainly, economic sabotage network. Their attention is now directed to the USSR, where the power of the KGB has not been reduced in the least. They might hope for the demise of the KGB, but then again they come to fear being betrayed.

...All this psychological pressure and natural fear can be used to liquidate the network, beginning with its disruption and then the patient uncovering of the entire network.

A Proposal: After careful preparation the daily press addresses StB "informer" directly. The state gives everyone a chance to dissociate themselves, with proper regrets, from their previous activities and, while they remain anonymous, makes it possible to pardon all of them. The address of the institution or commission charged with handling the process will be published. The informer sends an anonymous letter to this address, with the following information:

- when, where, and by whom he was forced to cooperate;
- how often and where he met his handler and the name of the handler;
- whether he has signed an informing arrangement that has not been realized.
- the level of society to which he belongs;
- the focus of his assignments;
- the cover name that had been established for informing or another name chosen now so the informer can later support his confession.

This project will be successful and will eliminate most of the fear and open the possibility for a normalization of life. It also has these advantages: massive anonymous confessions of guilt will seriously disrupt the entire network because it will uncover a representative level of informers and agents of the dead network. The KGB will not activate a network that is not intact...The compilation of anonymous confessions of guilt will point to places of interest to the StB and KGB and therefore the way to uncovering other operatives.

Esteemed editor in chief, excuse me for putting you in the middle, but these are part of the conspiratorial methods. This is probably a professional deformation....

Slovak Writer's Reply to Vaculik

90CH0194A Bratislava NOVE SLOVO in Slovak
24 May 90 p 5

[Article by Vladimir Minac: "Our Czecho-Slovak Question"]

[Text] "Why did you break away? Why did you splinter off? Oh, just put aside the remorse forever: It's a brutal, worthless burden." P. O. Hviezdoslav: To Our Czech Brothers.

This is how Hviezdoslav would have responded to Adolf Heyduk, a true amateur, a true lover of Slovak ("Oh, that Slovak, holy language, I know..."), that zealous collector of everything Slovak, including Slovak sorrows ("My heart bleeds and chest throbs when I remember you, inflamed by ardor..."), a mediocre poet who chanced upon his avocation, which was strange for his time, the way that others take up stamp or butterfly collecting. I am mentioning him because thousands of "amateurs" followed in his footsteps. In the pre-Munich republic it was obligatory in all the salons and schools to love the Slovaks, as a good, diligent people, as an "original". The Slovak entered this idyllic existence as a part of "Tatra nature", that is at the level of a deer or a marmot. All these lovers fell silent, became offended and angry if this Slovak ever said anything, ever tried to assert his natural rights, ever tried to become a subject instead of an object. This was the case even in the 1870s. Let me quote from an essay of mine, so I won't make a mistake: "...now though, after 34 years (from the founding of Slovak - V.M.) only the union of two equal, independent and free branches of Slavic peoples seems possible, not however the union of one that happens to be weaker to another that happens to be stronger. To carry out such an annexation seems to me to be farfetched." A letter from Samo Daxner to Josef Holecek, another amateur lover of Slovak culture who would have happily loved Slovakia without Stur's "mistake", i.e. without Slovak, also expresses clearly the necessity of equality and independence. Samo Daxner simply repeats the concept of independence and equality from his relative, the famous Slovak politician and founder of Memorandum, Stefan Mark Daxner. This is by way of stating that the idea of an independent state is legitimate, that it has not been dreamed up by just anyone, but has existed in Slovak politics from the beginnings of its modern existence. It would be a good idea if all the professionals, and even some amateurs such as Mr. Vaculik, who think that the "bumpkins" were lazily napping next to their windows and keeping their feet warm so they could make a fast getaway when the Czechs proclaimed democracy, would read our founding document, our passport into the modern age. I think that the followers of Stur thought at the deepest level about the concept of our people as a

Czech renaissance of the Czech people, that they understood many connections that we understand only slowly and with difficulty, and that they conceived of the geopolitical purpose of Slovak culture as more promising than we do. According to the Memorandum the Slovaks are "to defend Western culture against the barbarians of the East, and to defend and retain for the future its independence from the stifling influence of the West." What could we add to this Magna Carta that was written almost 150 years ago.

Only a fool talks about something he knows nothing about. We want to be able to make well informed decisions in our own time about our relationships, not be forced to make decisions based on insufficient information.

It truly bothers us that we do not have a feudal history, or that our feudal history is not as well known as that of other peoples. Certain Czech traditions (the Hussites for instance, or Jiri z Podebrad, etc.) are certainly full of the future.

It is not easy to put together a history that others have torn apart, ripped up, and stepped on, hiding our former political leaders, whatever they were called. Perhaps P. Vaculik does not know that we did not even have the right to a Slovak history under the pseudodemocratic government of the Tatickov generals. The high schools taught Czechoslovak history, which meant Czech history. The same was true at the first "Slovak" university right up until the end of the pre-Munich republic.

Clearly, today we could, as they say, tailor a history to ourselves, just as Palacky did for the Czechs. But we are interested in more than the kings, the battles, and the generals. We are interested in the meaning of what happened to us, the meaning of a past that might have pushed us in what directions, To whom? and to what end?

We will not ask for the identity card of secret policemen or of Mr. Vaculik. We are identified not only by an autochthonous culture, but also as a political people, at least since the appearance of the Sturovites, despite our unfortunate socioeconomic fate. Only as free and independent people can we live with others. No other alternative exists. We will not permit another annexation. Anyone in Slovakia who thinks any other way these days is guilty of criminal, deviant thinking. After all, how is a proud, sovereign, and independent people supposed to behave? Should it be silent and let itself be stepped on constantly, or should it speak out and express its resolve, its unique dignity? We have begun, that is, to speak as the enfranchised with the enfranchised, as equals to equals. But what kind of false shout do we hear? And who is making the noise?

I checked three times to make sure I had the correct name: could it be Ludvik Vaculik? The favorite of Dominika Tartarka? Who is he to deny us a place in the sun, i.e. the right to a free and equal relationship with

other peoples? Could this be either random infantilism or an intentional attempt to ruin our union?

To tell the truth we have had our fill of the ignorant and, as it seems, uneducable indolence of a so-called older brother. We have had our fill right up to the eyebrows. We do not wish to and will not sleep in the same bed with an older brother. We have no older brother. The older brother is quite a new idea and plays an important role in the Czechoslovak legend, from the founders to the present. Before them our older brother was, it is difficult to say it, Russia.

Prince Spytigev II had his older brothers killed, executed 300 Great Moravian lords. Since that time there has been a question of who is the older and who the younger. To be sure, the great chaos brought the prince not only to the question of birthright but also to questions of crime and punishment. Certainly, Svatopluk's warriors were probably not very kind to Czech castles, but who is Cain and who is Abel? History that is layered like this cannot produce any kind of positive advice, only pure resentment. And resentment cannot be a foundation even for a shepherd's hut, let alone for modern national cohabitation. The fiction with the younger brother only shows the inflexibility of Czech political thought concerning Slovakia and the Slovaks, only repeats the old ideas in which one is lord, and one is servant, in which the "dovellike" people need to be taught to be polite, need to be taught a special hygiene, but mainly need to be taught, under the older brother's supervision, to regularly change his dirty pants, but never stick out a begging hand so as not to embarrass Europe. Or, in other words: "I think," Mr. Vaculik proclaims his Moravian Bull, "that the Slovaks are not ready to have equal and free relationships with other peoples", meaning that older brother will have to continue to train him in unequal relationships. Vaculik, to be sure, is not very original. Czech policy has, as a rule, been conducted as if Slovakia is an interesting preoccupation. Frantisek Ladislav Rieger, at the time of the Austro-Hungarian accommodation promised our enemy the Hungarians that "the Czechs won't even look through the Moravian wall at the Tatras. But when the younger brother began to howl that he had been betrayed according to a Biblical story, the same man responded, "Gentlemen, take care of getting rich, then you can have political power as well." That is the second cheek of brotherhood, the one turned away, a harsh, divisive reality, the same at the time of F. L. Rieger and in the time of P. Vaculik.

Slovak policy for more than 100 years now can be severely criticized. It has been subservient, imitative of Vienna, then of Budapest, and more and more of Prague. It has been wishful rather than realistic, sentimental rather than energetic. It has had its moments, from Daxner's Okolia to the Pittsburgh agreement, to the Slovak national uprising, to the first attempts at federalization. "A people either distinguishes itself by its independence or declines to the status of a social group within a larger entity", writes L. Vaculik. We have more

than once shown our will for independence. We have been unable, however, to bring this wish to fruition because of violence by the center in Prague, economic and administrative violence; even, as older people remember, by armed police violence. It is the center that has always wanted our people to be a "social group" crucified on the cross of Czechoslovakianism.

"After the defeat of fascism we rightly should have come to terms in our conscience with our fascist experience..." writes L. Vaculik. We did not come to terms with our own experience of fascism after its defeat, but right in the middle of its powerful life. We did not kick it while it was dying but while it was in full health, and right in the teeth of an armed fascist. That was our meditation, our searching of our conscience, our criticism of fascism: the Slovak national uprising was the second largest uprising against fascism in Europe. L. Vaculik is certainly right in that it was not an instinctive uprising in defense of the Czechoslovak republic, but purely an uprising against fascism, to purify the national conscience. Truly, we did not want Mr. Benes to pull our chestnuts out of the fire, nor did we want his pre-Munich regime, which looked down its nose at us even in the middle of the war. "The simple fact", stated Mr. Benes, "that...as Czechoslovak we maintained without compromise the pre-Munich regime prevented Slovakia and the Slovaks from being considered a defeated people at the end of the war." We did not want to sit in a strange cage and eat out of a strange hand: nevertheless our political representatives during the Uprising brought the Czechoslovak idea into the goals of their armed struggle and created a just and essential thing.

But the purpose lay elsewhere, it was deeper: "We ourselves are indebted to that action, which made the world aware of our new historical consciousness." This is the way Ladislav Novomestsky summarized the purpose of our armed uprising, and this basic explanation remains true. It is precisely an inability to comprehend this new Slovak historical consciousness that results in the immense short circuiting of our relationships, a true animosity. The unwillingness to see us as a free and equal people provides fertile ground for an entirely new Czechoslovakianism. Under the cover of normalization everything was swept under the rug. We did not know ourselves, but we were unaware that we knew so little about ourselves. Therefore Slovakia experienced a general explosion of a limited Czechoslovakianism, but because it was not cut from the same cloth as those ancient, shocking funerals it was able to trample easily the soil of Slovak ultranationalism, which was feeding on the fruits of Czechoslovak centralism.

And a few of us actually thought that both extremes belong in the archives or in the closet of a famous, but now washed up actor. The idea of a famous actor came to me because the ballet being danced by L. Vaculik in regard to our Slovak Question is unbelievably territorial and provincial. He is not doing the ballet at all, but jumping up and down in front of the general national-socialist public. In one place he writes that the Czechs

"physically and spiritually were glad to absorb Slovak territory", while on the other hand they failed to absorb Slovak perceptions, feelings, and attitudes." Then what did they actually absorb? How could they absorb the spirit of our country if they could not absorb our spirit? And for what reason would they want to absorb it: are we some kinds of orphans, eternal adolescents? One more step and we will read something like: "master", "capture the soul" of Slovaks, perhaps for a growth hormone: "After all, it's clear that a Czech will be a taller person if he grows up being part Slovak." It's a shame that nothing is said about that part of the Slovak that the Czech uses to grow. The genetic engineering of A. Novotny was much more understandable; each mixed marriage gave birth to a Czechoslovak child.

The Czechoslovak State Railways; this is what they were called, and the truly long tracks stretching from Asa to Jasin had no other name. There was a Czech station-master and dispatcher at each station. They were the Czech State Railways. I have already mentioned that we studied Czechoslovak (Czech) history. We also had a subject called the Czechoslovak language, and one called Czechoslovak literature. So we learned by heart the Czech legend of Jidas from the middle ages, but never a word about Slovak baroque poetry, to say nothing of the fact that we knew nothing of the historical development of Slovak. (According to professor A. Prazak, Slovakia was overgrown with virgin forests in which there was likely little communication except occasional yodeling).

"To be a Czechoslovak is a worthy task", writes Vaculik. Except that behind the Czechoslovak is a poorly concealed pure Czech who has in some way or another taken over the Slovak countryside; and if he has not taken it over yet, he wants to. The problem is that the Slovak does not want to be a Czechoslovak, does not want to hide behind a strange facade, he wants to be his own man under his own laws. Is this so hard to understand?

Is it hard to understand that they cannot pull us out by our roots, that they cannot tempt us with anything? In the style of the national socialists in 1947 Vaculik tries to scare us with Hungarians, Russians, economic penalties, a Czecho-Austrian or Austro-Czech condominium.

Except that it is not so easy to tempt us. We have survived worse, the very worst.

A people, as Janko Francisci stated, is demanding, which means egotistical: It wants something, wants it for itself. First instinctively, and then rationally it chooses those things that are advantageous for it. It is not necessary to talk about brotherhood, about a common history, about a common culture: All of this turns out to be full of holes.

All the important political forces in Slovakia are convinced that our coexistence in some form of state can be useful, advantageous, and therefore sensible for both sides. After free elections, while we are drafting a constitution we have two years for free arguments and considerations. This will allow us to agree or disagree on

the basis of arguments, not resentments. To be a free Slovak and free Czech will not be easy, but it is our single common possibility.

GERMAN DEMOCRATIC REPUBLIC

Restructured LPG as Alternative to FRG Farming

90GE0133A Frankfurt/Main FRANKFURTER
ALLGEMEINE in German 19 May 90 p 15

[Article by Klaus Peter Krause: "Agrofactory and Village Idyll—Competing Models for a Future Agricultural Policy/Organizations Far From the Market and Competition"—first paragraph is FRANKFURTER ALLGEMEINE introduction]

[Text] Following the imminent German unification, people working on GDR farms need not fear the market. After all, the Western system of farming has little to do with the market. GDR cooperative farmers will no longer be able to expect high sales prices. On the other hand, their costs will be lower. Klaus Peter Krause examines farm productivity, costs and yields in both parts of Germany. His conclusion: The large farm units in the GDR may well offer serious competition to EC farmers.

West and East German agriculture have at least something in common: In neither is there a market economy with truly free competition. Of course that is a rather sad common feature. The Federal Republic spends billions on the "agricultural market systems" of the EC in order to prevent market forces from fully governing agriculture. The GDR takes a different tack but also spends billions to make sure that market forces do not even begin to govern. Consequently, though GDR farming will now have to abandon its state planning system, it will not proceed to a completely free agricultural market. It will enjoy government support prices and substantial import protection vis-a-vis non-EC countries, a large variety of subsidies and a social farm policy that accounts for as much as two thirds of Bonn's agricultural budget resources.

Still, adjustment will not come easy. More than 40 years of socialism have decisively transformed agriculture. The former peasant structures were demolished, farmers and land forcibly transferred to large state or cooperative enterprises and collectivized, entire landscapes emptied, fields merged into enormous megafields, livestock concentrated in huge barns, the level and ratios of farm prices fixed centrally and arbitrarily by the state. What is the situation of this GDR agriculture now that it needs to adapt and adjust to an all-German currency and economic union?

At this time 3,855 agricultural producer cooperatives (LPG's) cultivate 86 percent, 465 state farms (VEG's) seven percent of the GDR's farm land. Most of the remainder is shared by Church estates, some 3,000

independent farmers and LPG members who are permitted to own up to half a hectare private land. Cooperatives produce 95 percent of all crops and 75 percent animal products. The state farms, designed to be experimental and model enterprises, own slightly better than 12 percent of livestock, produce 20 percent of seeds and seedlings as well as 18 percent of breeding stock and livestock.

A crop producing cooperative plows an average of 4,500 hectares, a state farm some 5,000 hectares. That is just about the equivalent of the holdings of seven villages. In the FRG, by contrast, the about 667,000 farm enterprises run to no more than an average of 18 hectares. Only 6,000 have more than 100, a handful about a 1,000 hectares. Full-time farmers cultivate an average of 31 hectares.

Another obvious difference consists in the fact that GDR agriculture employs around two percent more manpower than West German agriculture, although its farm land amounts to a little better than 6 million hectares, a bit more than half the just about 12 million hectares farmed in the FRG. In other words: West German agriculture manages with half the manpower of East German farming—in terms of full-time workers it employs seven people per hectare compared with 14 in the East. A cooperative specializing in crops and consisting of roughly 500 former private farms, employs an average of 240 persons, a cooperative specializing in animal husbandry around 110. The latter on the average keep livestock in their barns in numbers corresponding to 4,500 steers at least two years old ("large livestock units").

Admittedly, when comparing manpower figures, we must remember that a LPG or state farm employs various people who have nothing to do with farm production as such. They include craftsmen such as bricklayers and mechanics, the personnel for the cafeteria kitchen and the nursery school. It makes sense for the farms to have their own full-time craftsmen: The old and worn machinery frequently needs quick repair, and the GDR's services sector including supply of materials is in poor shape. It has, therefore, been necessary to retain construction and maintenance brigades, enabling the farm enterprises to deploy them wherever needed, instead of having to wait endlessly for relief from the outside.

The concept of operating agriculture like an industry meant that bigger and bigger units were cobbled together, while crop production and animal husbandry were separated. Farming is now carried out by enterprises that either cultivate fields or keep livestock. The socialist doctrinaires expected this to yield production technical benefits, more rapid performance improvements and lower costs. At the same time they wished to adjust rural working and living conditions to those prevailing in urban areas. By contrast with the individual farmer-entrepreneur in the Federal Republic, the workers employed on GDR farms had fixed working

hours and an eight-hour day. These workers consider that a major social benefit, and hardly anyone is willing to give it up again.

Continued Existence of Cooperatives Threatened

What is the output of GDR agriculture, its land and manpower? When we convert to grain units as a yardstick for comparison for all that GDR farming produces in the field and in the barn, the total yield amounts to 20.48 million tons of grain units per annum. That is the so-called net production (excluding that volume of animal husbandry output achieved by imported feed). FRG agriculture boasts a net production of 63.31 million tons grain units. That means 5.3 tons per hectare, compared with only 3.3 tons in the GDR. Area productivity in the FRG, therefore, exceeds that in the GDR by slightly better than 60 percent. Yet another comparison: A full-time worker in West German agriculture produces 75 tons grain units, in the GDR only 24 tons. In other words: Labor productivity in the FRG is three times greater. This greater labor productivity also translates into earnings on the two sides: A farm worker over there has an annual income slightly in excess of M 13,000, his counterpart here earns almost DM37,000, again almost triple, if we apply the future 1:1 conversion rate.

Still, output alone does not supply enough data. Economic capacity is the deciding factor, in other words the costs of farm production and the earnings resulting therefrom. This arises from the so-called net product: The produced volume multiplied with the respective market prices, less spending on working funds ("previous work") and depreciation. This net product at market prices is around M 30 billion in the GDR, roughly DM16 billion in the FRG (average of the past three years). Per full-time worker that amounts to about M 35,000 and DM19,000 respectively. At the 3:1 official exchange rate in effect from the first of the year through 1 May, the M 30 billion correspond to DM10 billion, and the M 35,000 to about DM11,700.

However, fixed producer prices for farm enterprises in the GDR (in East German marks) are considerably higher, because they carry greater subsidies than the EC support prices paid to farmers in the Federal Republic (in West German marks). The price of wheat in the GDR, for example, exceeds that in the FRG by 75 percent, that of rapeseed by at least 100 percent and the price of brewers barley by more than 110 percent. The excess for milk is 148 percent, eggs better than 150 percent, potatoes 200 percent, beef cattle 238 percent, and pigs 275 percent.

What does that mean: When, following the currency and economic union on 2 July, all prices are given in West German marks, this difference in price levels becomes untenable. Once the borders are open, GDR producer prices will drop to the EC price level. Bereft of subsidies, the GDR's net product will shrink to only DM5 billion.

In that case, there will either be insufficient money available for wages as paid hitherto, or GDR agriculture will operate at a loss.

If producer and producer goods prices were to be immediately reduced to the West German level, the currently acceptable profitability of the majority of GDR enterprises would be converted to a loss situation. At least that is the outcome of calculations by Klaus Schmidt, professor at the Academy for Agricultural Sciences in East Berlin and head of the study group on the economic reform of GDR agriculture, forestry, and food industry. According to Schmidt, farm enterprises are currently achieving average profits of about M 2,000 per hectare. Rough preliminary calculations show that this would turn into losses amounting to DM1,800-2,000 per hectare. Only 10-20 percent of farm enterprises would then be able to operate profitably, using their own resources.

In the meantime these rough calculations have been replaced by more precise figures. The GDR submitted these to the Federal Ministry of Agriculture at the time of the negotiations. However, neither the figures themselves nor the method of calculation have been published. Last March, Klaus Schmidt thought that subsidies of up to M 11 billion would have to be provided in order to secure the continuing existence of most farm enterprises. Even then many cooperatives and enterprises would be threatened with extinction. Many simply did not have sufficient potential for building up new competitiveness by means of structural changes.

This situation compels cost reductions. GDR agriculture, for example, is wasteful of fertilizers and pesticides—yet its yields are lower than those of West German farming. It uses 30 percent more potash per hectare than do farmers in the Federal Republic, five percent more nitrogen and as much as 160 percent more calcium; only phosphorous consumption is about the same. GDR farmers spray more than twice as many pesticides on their fields. All too often chemicals are used at the wrong time, and dosages tend to be inexact; they also lack the proper quality.

Cost savings may also be achieved by the prices of working equipment dropping to West German levels from the excessively high level prevailing in the GDR—almost twice or even three times higher than in the FRG. Labor costs also could well be reduced, given the comparably much larger manpower employed by GDR agriculture. Farming there could well manage with fewer workers if motivation were improved, absenteeism reduced, the system related waste motion and hidden unemployment abolished.

Manpower is also unnecessarily employed as a result of the fact that agricultural enterprises need to operate farm machines with a technical standard well below that which is available and used elsewhere and, therefore, less efficient. Moreover, machines and equipment are obsolete and therefore need more repairs. Repairs equal idle

time. This may often last quite a while, because replacement parts are lacking. Whenever possible, farm enterprises carry out their own repairs, and that again requires additional manpower. The earlier heavy concentration of repairs and maintenance at central kreis enterprises for farm equipment did not respond well to the needs of farming enterprises, because many were too far away for convenience, and repairs took too long. In fact, this concentration resulted in the growing deterioration of the maintenance and serviceability of farm machines.

The Charm of the Eight-Hour Day

Going by sheer numbers, GDR agriculture is wealthier in trucks and trailers: 10 trucks and 49 trailers per 1,000 hectare—an expensive consequence of large-scale farming (greater need for transportation across long distances). FRG agriculture operates only two trucks and 12 trailers per 1,000 hectares. Comparable figures for the many other farm machines are hard to get, because official West German statistics are silent with respect to other farm machines (in contrast to East German statistics).

The GDR has no trade in farm machinery. There are 15 district organizations for material-technical supplies, by means of which the state allocates farm machines and other technical equipment to the farms. Consequently there is no such thing as optimum supplies. This situation will promptly improve following the currency and economic union. In addition to the necessary replacements, eager traders are bound to offer used machinery from the West, and the compelling need for lower costs will mean that technical progress will advance in farm enterprises also. Furthermore, the dangerous situation arising from the transformation will compel a more rapid growth of productivity. The large productivity gap by comparison with FRG agriculture points up the reserves available.

As a result of all this, many workers will become redundant, just as in other economic sectors and enterprises of the GDR. Farm enterprises simply cannot afford to employ these supernumerary workers. However, one of the questions still to be settled is this one: Whether and to what extent farm enterprises may let people go. Can an agricultural producer cooperative (LPG) fire workers who are employed there because they are members of the cooperative? Can it end the working relationship regardless of membership? And what happens if members are involved, who are coproprietors of LPG land and, upon being fired, require their land to be returned to them? Or, if they do not want it returned, what amount of rent may they require to be paid? And, while slimming down its manpower stock, will the LPG be able to mete out different treatment to coproprietor-cooperators and simple cooperators? Could it be liable to claims for compensation?

As to ownership: The legal problems and consequences to be resolved in this regard will confront the farm

enterprises with enormous difficulties. By the expropriation of 1945-47, the "liquidation of feudal-Junker estates"—described as "democratic land reform"—everything in excess of 100 hectare (including buildings, live and material inventory as well as other agricultural property) was impounded without compensation and distributed to small farmers, farm workers and trusted KPD [German Communist Party] comrades. This was followed by collectivization in 1952-60, forcing all farmers (including those earlier gifted with "Junker" land) into producer cooperatives. Three types of these cooperatives were established. Arable land alone was contributed in Type 1, arable land and all working beasts necessary for common field cultivation, farm machines and equipment in Type 2, or all real property—including all outbuildings—livestock, farm machines, and equipment in Type 3.

All three types have in common that the farmers forced into the LPG's retained ownership in the land contributed, in other words continue to be proprietors and indeed are paid a small fee. This means that roughly one-third of LPG members possess some land. They may bequeath the property and even sell it (the LPG having a preemptive right), but until now were unable to take it out and farm it on their own. This restricted right of disposition will certainly be changed by the German-German state treaty. Unfortunately there are no definite indications for what land belongs to whom. The is due to the following provision: "The lands of the cooperative will be combined in a large common land area. Boundary lines and stones will be removed."

Nevertheless, owners will be awarded the right to restitution. It is not certain yet how many will in fact pursue such a claim. In early May the LPG Federation stated that a large majority of cooperatives wished to continue cooperative production; no more than three to four percent of cooperative farmers were contemplating private farming. People who have talked to GDR farmers think that there may in fact be many more: While LPG managers are pressuring members not to withdraw their land, the members are keeping a low profile so as not to unnecessarily early on clash with managers and comrades and wait for the outcome of the state treaty.

It does seem likely that a large majority will prefer to retain their status as farm workers and stay in the cooperative. One—important—reason is the fact that they have always been working in highly specialized jobs and simply lack the overall knowledge and training for independent farming. They also have neither machinery nor outbuildings and do not feel competent to confront the future competition on their own. Other factors (such as the eight-hour day and regular vacations) represent additional incentives. Still, some older farmers have already given notice to quit their LPG membership as of 1 July.

Desirable Partners for Trading Chains

Quite understandably, LPG managers wish to "keep their business going." After all, it is precisely the good

structural situation of GDR agriculture (large fields for crop cultivation, large numbers of livestock in animal husbandry), that should enable it quickly to rise to the market economic standard of productivity and business efficiency. Though socialist obstinacy forced agriculture, too, into detrimental types of organization, these mistakes can now be corrected. Though the concentration of livestock and the ensuing floods of liquid manure seriously pollute the environment, that also can be alleviated. Once cooperatives (in whatever legal form they may assume) will be free to cut down unduly large business dimensions and organize themselves in a sensible and businesslike manner, their large and uniform size will make them attractive and desirable partners for the agricultural trade, major trading chains and the processing industry.

These prospects are viewed with the utmost concern by farmers in the FRG, who operate small family farms, and the political representatives of the farmers, who consider the preservation of such structures their life's work. They secretly hope that the large-scale enterprises over there will dissolve, that many will leave the LPG's and either slave on the land as full-time farmers or turn into part-time farmers, that GDR farming will also mainly feature family farms. This wish is most unlikely to be fulfilled, even though Federal Agriculture Minister Ignaz Kiechle has long contemplated subsidizing the people over there, who want to run their own farms, by offering cheap loans and subventions—just as farmers here receive for new establishments and renovations.

FRG agro politicians like to draw the LPG cooperators' attention to the fact that large-scale farm enterprises, often dismissively described as "farm factories," are here considered businesses (and therefore subject to the trade tax), and that they are excluded from government subsidy programs. This would in future be applicable in what is now the GDR. These recommendations definitely sound as if the interested parties here wish to suggest to the large farm enterprises over there, that it is better to revert to a small scale just to be allowed to dip into the bottomless pot of subsidies.

Indeed, one LPG chairman in Saxony-Anhalt has already appealed for in future farming the land in units of only 50-100 hectares. He asked any interested party over here or over there to come forward—"so that we may know how many there are of us." However, the breakup of the large cooperatives into such small units would be most unwise. GDR agriculture would deprive itself of its currently greatest advantage that will be crucial for its future competitive powers.

Of course, a traditional farming structure with farms run by families is both beautiful and lovable. However, we may certainly dispute the persistent assertion that farming by large-scale enterprises is necessarily inferior to the family farm in economic, ecological, and social terms, that it only does damage and is generally undesirable. If it resists the siren songs from the Federal Republic, GDR agriculture has quite a good chance to

refute this assertion. If it manages to reasonably well cope with the period of transformation and transition, it will be a serious competitor for the FRG's agricultural structure with its emphasis on the family farm. And that is exactly why it is already feared, despite it still being backward and endangered.

HUNGARY

IMF Holds Out Hopes for Increased Cooperation

25000736B Budapest NEPSZABADSAG in Hungarian
17 May 90 p 1

[Interview with IMF president Michael Camdessus and Lady Catherine Lalumiere; place and date not given: "Michael Camdessus: The IMF Is Negotiating With the New Team"—first paragraph is NEPSZABADSAG introduction]

[Text] International Monetary Fund president Michael Camdessus and Lady Catherine Lalumiere answered questions asked by NEPSZABADSAG at a joint press conference.

[NEPSZABADSAG] Was there some kind of "interregnum" between the IMF and Hungary at the time the government changed?

[Answer] There was no pause, no gap in our relationships, and even if there was, we have bridged that with the \$200 million loan. The former government requested us to help the country through its gravest period. As is known, Hungary's balance of payments showed a very poor performance in 1989, not to mention the deficit forecast for 1990. Since bankers in general do not like uncertainty, the IMF helped Hungary survive the most difficult weeks.

[NEPSZABADSAG] How do you regard Hungary's economic performance during the last year or two?

[Answer] Whenever the IMF intervenes it observes the need not to treat symptoms only, but also to reveal the causes that prompted the crisis, and to provide help in the elimination of those causes. We asked Hungary to keep its budgetary deficit below \$20 million, the inflation rate below 20 percent, and to stop the relapse. In other words, we recommended budgetary discipline and a more stringent monetary policy. They complied with these requests in Budapest. By devaluing the forint they provided testimony that their intentions were serious. The balance of payments outlook has improved, and it appears that they have succeeded in maintaining the inflation rate at a controllable level.

[NEPSZABADSAG] You mentioned a plan that is more ambitious than the earlier programs. IMF experts and Hungarian professionals are working on it at present. What concepts are we talking about?

[Answer] Our relationship with the previous leadership was good, but they were also aware of the fact that they

are not the ones with whom long-term concepts should be discussed. For this reason our cooperative program covers only this year, and we are already negotiating with the new team regarding the support needed for the next three years' plans for reform. We believe that we may provide not only financial assistance, but we can also play a catalyzing role in the future, helping Hungary to build good contacts with various development banks. Hungary may start implementing the program toward the end of 1990, and in this regard it may count on sufficient financial support.

Economic Chamber Proposes Policy Guidelines

90CH0186A Budapest MAGYAR HIRLAP
in Hungarian 30 May 90 p 7

[Article by Sari Pogany: "Chamber Crisis Management Package: A Point of Reference for the New Government"—first paragraph is MAGYAR HIRLAP introduction]

[Text] In order to turn around the unfavorable economic processes, at its last meeting the Hungarian Economic Chamber adopted an economic policy program proposal which considers exclusively requirements for the maintenance and renewal of economic functioning, irrespective of political endeavors. We are presenting a few concepts contained in the package plan. These may serve as points of reference for both the business sphere and the new government.

Insofar as structural change is concerned, the Chamber recommends that enterprises capable of changing should be able to receive short-term loans based on competing applications, opportunities to extend such loans based on credit agreements, and exemptions from paying taxes and interest for a period of two to three years—all based on preestablished criteria. The following may serve as criteria: the way the employment situation evolves, the attraction of foreign capital, the volume of the means required, and the expected time frame the implementation of the program demands.

The examination of enterprises to be liquidated must be organized, so that it becomes possible to determine which of these, or which parts of these, may be restored with the help of foreign capital. In regard to those agreeing to do so, it would be appropriate to support the search for Western partners who may also become buyers with economic diplomacy. Enterprises incapable of transforming should be placed under state administrative supervision, and a central privatization program must be established for them.

To Share the Burden

The solvency crisis may be resolved on the basis of credit arrangements, the writing off of noncollectibles, and the initiation of liquidation proceedings. But the resources needed to accomplish this are not available to commercial banks, and the budget is also unable to finance these in the short term. For this reason a solution, in the

framework of which the burden is distributed in time, may come into question. Nevertheless, the action must be initiated immediately.

The first step to be taken should be the assessment of the ultimate debtors in the "standing in line" chain, the evaluation of their management. Within this group one may find a large number of enterprises which may be turned profitable, and which, in the long term, hold out the promise of being profitable. It would be appropriate to resolve their problems on the basis of selective credit practices, and by writing off loans taken out prior to 1987 which cannot be collected, and which were based neither on enterprise nor on banking decisions. The evaluation of the ultimate debtors would also reveal the group of businesses in which profitable management cannot be assured even in the long run. In these cases the only existing solution is liquidation, or the sale of these enterprises in parts.

In the present economic situation the Hungarian Economic Chamber regards the need to develop an action package plan which deals with enterprises which find themselves in a difficult situations of fundamental importance. Such difficult situation may arise as a result of reduced exports accountable for in rubles, the large-scale decline of military orders, and because of solvency problems. The action package would aim for the relaxation of tensions, it would be streamlined in the course of developing central [governmental] and enterprise concepts and measures, it would deal with all sources of tension, and it would be able to appropriately manage these.

Rescheduling our foreign debt is not permissible: Considering the present level of the country's indebtedness, a further increase in this respect should be slowed down by using any possible means. Based on mutual interest, negotiations should be started with West German and Japanese financial circles—the countries most interested in financing the country—concerning conditions under which they would convert our debt service due into property, into investments in Hungary.

Unprecedented Practice

The positive effects of the influx of foreign capital may be neutralized by the unprofessional system of benefits provided to joint enterprises. On an international comparative basis the practice by which a foreign investor may repatriate his profits acquired under favorable tax conditions, without establishing a requirement to export or to reinvest his money, is unprecedented. This situation much rather tends to scare away serious investors, and to attract opportunists. Accordingly, this system must be reexamined. The system of benefits must be maintained for all those who agree not to repatriate their profits for a period of between three and five years, and to invest their profits. Foreign investors who wish to repatriate their profits instantly should not receive any benefits at all. The foreign capitalist should be able to

freely choose between the two alternatives. Nevertheless, benefits acquired thus far should be recognized as valid until their expiration.

Transactions in which debts are traded should be initiated to manage the country's internal indebtedness. State household reform should be accelerated in order to prevent a further increase of the internal indebtedness. As part of this effort, the budgetary revenues and expenditures must be examined item by item prior to 1 July 1990. The necessity to maintain each individual item and the size of each item must be justified separately. The contents and reasons for payments made from budgeted resources, and for state loans and basic funding must be determined in detail, so as to enable the National Assembly to make decisions by 1991. In the course of an item-by-item review, a reduction in the regrouping of income by the central government is a requirement, and so is a reduction in the 1990 expenditures by a minimum of 10 billion forints.

Insofar as our external economic policy is concerned: Hungary has no choice other than to make an opening toward the global economy. Parallel with negotiations concerning the transformation of CEMA, preparation for cooperation with the partners after 1990 must be commenced, i.e. negotiations must be initiated.

Of definitive importance is the need to develop import policies which satisfy the country's energy and raw material needs. The framework and conditions for long-term cooperation with the Soviet Union, and parallel with this an alternative import policy supportive of expanded exports to developing countries must be established. This import policy must be construed in the broadest sense, starting out from the main goal, it must be supported by the exploration of comprehensive cooperative opportunities, including education, cultural, environmental protection, and other fields of endeavor.

The New System of Settlements

Two alternatives present themselves: We may take the approach of complying with Western requirements as soon as possible, or we may determine the areas in which we are satisfied with lower standards, and then gradually establish the conditions for adjustment. A definite endeavor for the realization of an immediate, full transition appears to exist on the Soviet side. Nevertheless, thus far neither party has succeeded in establishing tolerable conditions under which this may be achieved. From a practical standpoint, in the upcoming years, a cooperative form that may be illustrated with two circles, may become functional. In terms of each individual trade relationship it is relatively easy to grasp what the parties regard as strategically important products subject to trade; in this regard they will definitely endeavor to achieve balance within the first circle. Within the second circle states would make commitments only to ensure the conditions for trade, and would determine the volume of mercantile exchange and the size of the mutual balance of payments over and above which they could institute

prohibitive measures, and above which payments would be made in free foreign exchange.

First Quarter 1990 Industrial Sales Data

25000737B Budapest FIGYELO in Hungarian
24 May 90 p 4

[Text] Total industrial sales during the first quarter declined by 12 percent. Within this, exports declined by 15.6 percent, domestic sales by 10.9 percent. Within exports, sales subject to settlement in convertible currencies increased, while those payable in rubles declined significantly.

Industrial organizations employing more than 50 people had a work force of 1.248 million employees, almost eight percent fewer than a year earlier. (As a result of the growing number of small organizations the size of the total industrial work force declined to a somewhat smaller extent.) Average gross industrial wages amounted to 11,375 forints, and this amount is 25.9 percent higher than during the same period last year. Average gross wages in the electrical energy industry increased in excess of the industrial average (32.1 percent), while in the mining industry the increase did not reach the 20-percent level.

At the end of March 1990 a total of 4,510 industrial business organizations were on record. The establishment of business organizations—decisively in the form of limited liability corporations—continued. As of 31 March 1990 there were 1,773 limited liability corporations functioning; half of these were in the machine industry, 200 in the chemical industry, and 423 in the light industry. During the first quarter, 14 industrial stock corporations were established, bringing the total to 139 as of 31 March. There are 61 machine industry stock corporations, while 47 are engaged in light industry.

Industrial sales price levels during the first quarter exceeded the previous year's price levels during the same period by 18.1 percent. Domestic sales prices increased by 19.6 percent, the average increase of export sales prices in forints amounted to 13.6 percent.

Export price levels for goods sold subject to settlement in rubles increased by 2.5 percent. Considering the 5.2-percent decrease in ruble exchange rates, the prices increased by almost eight percent.

Counted in forints, export prices for transactions not subject to settlement in rubles increased by 22.7 percent. Within this, the exchange rate appreciation of the currencies of capitalist countries vis-a-vis the forint may be estimated to amount to between 19 and 20 percent.

During the previous years domestic price levels increased by about 5.9 percent. The increase between December 1989 and January 1990 amounted to 10 percent. A 3.8-percent increase was recorded between January and March 1990.

Industrial Sales Increase or Decrease by Industry

Textile industry	- 11%
Paper industry	- 9%
Pharmaceutical industry	- 5.5%
Synthetics industry	- 12%
Rubber industry	- 21.5%
Household goods mixed industry	+ 11.5%
Crude-oil-processing industry	+ 4.9%
Instrumentation industry	- 8%
Machinery manufacturing industry	- 11.5%
Metal mass products industry	- 9.0%
Transportation vehicle manufacturing industry	- 35%
Communications and vacuum technology industry	+ 4%
Iron foundry industry	- 12%
Food industry	+ 1%
Processing industry	- 9%
State industry as a whole	- 7.9%

POLAND

Central Office of Statistics Issues Census Results

90EP0585A Warsaw RZECZPOSPOLITA in Polish
1 Jun 90 pp 7-8

["Abridged Communiqué by the Central Office of Statistics on the results of the General National Census conducted on 6 December 1988"; maps omitted]

[Text]

POPULATION, HOUSEHOLDS, AND FAMILIES

1. Status and Movement of the Population

According to the data of the General National Census on 6 December 1988, the population of Poland on the day of the census came to 37,879,000. Poland ranks 7th in Europe in the number of population, next to the USSR, the FRG, Italy, Great Britain, France, and Spain.

In 10 years, that is, since the census of 1978, the population of the country grew by 2,817,000 (by 8 percent). The average rate of increment amounted to 0.77 percent and was the lowest in the entire period of postwar development. In 1971 through 1978, it stood at 0.90, and in the decades of the 1960's and the 1950's it was on the order of 0.92 and 1.76. The GUS [Central Office of Statistics] demographic forecast predicts that in the last decade of the current century the rate of increment of the population will continue to decline.

The recently reduced rates of demographic development are a consequence of the breakdown in 1984 of the previously upward trend in the number of births, the

growth of the number of deaths, and the increased negative balance of foreign migrations. In 1979, the coefficient of natural growth per 1,000 population came to 10.3, whereas in 1988 it fell to the level of 5.7, and a stable downward trend still continues. Nonetheless, this is still a quite high level of natural increment against the background of European countries. On this indicator, only three countries rank ahead of Poland (Albania, the USSR, and Yugoslavia). In some countries of Europe (in the FRG, Hungary, Denmark), a negative natural increment and a retrogression in the development of population have been registered for several years now.

The increment of 2,817,800 people registered in the years 1979 through 1988 emerged as a result of an increase in the number of urban residents by 3,024,000 (by 15 percent) and a decline in the number of rural population by 207,000 (1.4 percent).

As a result of the above changes the population of the cities in December 1988 came to 23,175,000, which accounted for 61.2 percent of the population of the country. It is worthwhile to note the fact that in 1951 the share of rural of population was at that level, and that, therefore, within almost 40 years a reversal of the ratio of the urban population to the rural population has occurred. Fifty-four percent of the increment of the number of urban population was due to the natural increment, and 41 percent was due to the positive overall balance of migration (domestic and foreign), and 5 percent was the result of the positive balance of administrative changes.

The two largest cities in Poland, Warsaw and Lodz, switched to the negative natural increment of population in the second half of the 1980's. The migration increment and administrative changes were the main factor of increases in the population of these cities. In the group of five cities with more than 500,000 inhabitants, the above cities had the lowest rate of population development.

In the second group of cities by size, with 200,000 to 500,000 inhabitants, there were 14 cities. After 1978,

Radom, Gliwice, Kielce, and Zabrze joined this group. It is noteworthy that the level of concentration of the populace in the group of (22) cities with 100,000 to 200,000 inhabitants in 1988 was the same as in 1978 (18 cities), despite an increase in their number, and amounted to 12.8 percent of the urban population. After 1978, the following cities advanced to this group: Gorzow Wielkopolski, Plock, Wloclawek, Zielona Gora, Kalisz, Koszalin, Legnica, and Jastrzebie-Zdroj.

As has already been mentioned above, the years 1979 through 1988 saw a further drop in the number of the rural population by 207,000 (1.4 percent). The last census registered 14,704,000 residents in the rural areas. In the period in question, the natural growth in the rural areas came to 1,438,000, and did not offset the losses which occurred due to outmigration and administrative changes. The rural population decreased by 160,000 due to increasing the area of cities at the expense of rural areas. Therefore, the loss of population due to the negative balance of migration came to 1,485,000.

The scale and direction of changes in the number of rural and urban populations varied widely in individual voivodships.

2. Structure of the Population by Age

In general, a considerable increase in the number of persons of nonproductive age (preproductive and postproductive) was characteristic of the years 1979 through 1988, against the background of a relatively small increment of people of productive age. The ratio of these two groups is reflected best by the coefficient of the demographic burden. In 1988, there were an average of 736 people of nonproductive age for every 1,000 people of productive age, whereas in 1978 this coefficient stood at the level of 684.

A detailed description of the changes in the age structure of the population which occurred in the years 1979 through 1988 is provided by the data in the table below:

			People of the Following Ages			
	Total ¹	Preproductive (Under 17)	Productive (Men 18-64 and Women 18-59)			Postproductive (Men 65 and Older/Women 60 and Older)
			Total	Mobile (18-44)	Immobile (Men 45-64 and Women 45-59)	
	In Thousands					
Total	37,879	11,310	21,804	15,168	6,636	4,735
Cities	23,175	6,769	13,802	9,704	4,098	2,585
Rural areas	14,704	4,541	8,002	5,464	2,538	2,150
	Year 1978 = 100 Percent					
Total	108	112.5	104.8	105.3	103.7	113.3
Cities	115	125	109.9	108.4	113.6	119.6
Rural areas	98.6	97.9	97	100.2	90.8	106.7

	Total ¹	Preproductive (Under 17)	People of the Following Ages			
			Productive (Men 18-64 and Women 18-59)			Postproductive (Men 65 and Older/Women 60 and Older)
			Total	Mobile (18-44)	Immobile (Men 45-64 and Women 45-59)	
			In Percent			
Total 1978	100	28.7	59.4	41.1	18.3	11.9
Total 1988	100	29.9	57.6	40.1	17.5	12.5
Cities 1978	100	26.9	62.4	44.5	17.9	10.7
Cities 1988	100	29.2	59.6	41.9	17.7	11.2
Rural areas 1978	100	31.1	55.4	36.6	18.8	13.5
Rural areas 1988	100	30.9	54.5	37.2	17.3	14.6

¹In the subsequent distribution, individuals whose ages have not been determined are omitted.

The large absolute and relative increments in the number of population of preproductive age are particularly noteworthy. In 1988, this group increased by 1,256,000 (12.5 percent) compared to 1978. Its share in the overall number of populace increased from 28.7 to 29.9 percent. This increment is the result of small contingents of the 1960's low leaving this group, and a higher level of births in the early 1980's. It should be kept in mind that the high contingents born in the 1970's were also a part of this group, and that they were the ones to begin, in this decade, a high in elementary schooling which will persist until almost the end of the next decade, with pressure gradually declining. The peak number of children in elementary schools, between 7 and 14 years of age, will occur in the years 1991 through 1993. In 1988, their number amounted to 5,139,000 and was higher by 1,028,000, or by 25 percent, than in 1978. In turn, in the zenith of the high, in 1992 their number will amount to 5,371,000. With the high in elementary schooling still mounting, a simultaneous high of young people in schools above the elementary level began in the late 1980's. The high in the schools of these levels will continue until the end this century.

In the years 1979 through 1988, the small contingents of those born in the 1960's shifted to the group of productive age, and this was the factor determining the relatively low increase in the number of people in this group. Compared to the previous census, this group increased by 994,000 people, which in relative numbers amounts to an increment of about 4.8 percent. The small magnitude of this increment is to a great degree the result of the increasing scale of foreign emigration in the 1980's which, naturally included mostly the people of productive age.

The shifting of low and high contingents has caused considerable fluctuation in the number of people in the segregated groups of production age. The most profound changes due to this occurred in the young age group (18 to 29 years) and among people in the 30 to 44 age

bracket. In 1988, the number of young people representing the contingents born in the 1960's was 1,602,000 (20.2 percent) smaller than in 1978. Meanwhile, the group of people in the 30 to 44 years age bracket increased radically, by as many as 2,360,000 people (36.4 percent) due to the "upward" shift of high contingents. The oldest, immobile group of productive age (45 to 59 or 64 years) stagnated to some degree over this period of time, and increased by only 235,000 (3.7 percent). As a result of the above changes, the population of productive age, which is considered to be the potential labor force, declined.

To be sure, in the last decade of this century and in the initial years of the next century the increment of the population of productive age will be abundant; however, this will continue to be accompanied by the unfavorable phenomenon of the aging of this populace. Beginning in 1994, high contingents of those born in the 1950's will begin to augment the oldest, immobile group of productive age. Its absolute and relative strength will begin to increase at a very rapid pace while the trend in the youngest mobile group will be downward.

Between 1979 and 1988, the great relative increase in the number of people of postproductive age was a worrisome phenomenon. In 1988, their number increased by 556,000 (13.3 percent) compared to 1978, and their share in the total number of the population increased from 11.9 to 12.5 percent. Therefore, the process of the aging of the population is still under way, and there are no grounds for this process to slow down in the foreseeable future.

The much higher degree of advancement of the process of population aging in rural areas compared to the cities is one of the most characteristic features of the evolution of the age structure of the populace of Poland. In 1988, the aging index expressing the ratio of people 60 years of age and over to 1,000 people aged 0 to 19 years amounted to 504 for the rural population and 410 for the urban population.; in 1978, the index was at 436 and 389.

Despite a decline in total population, the number of people of productive age in the rural areas increased in the decade in question by 132,000 (6.7 percent). To be sure, the rate of this growth was three times lower than in the cities (19.6 percent) but changes in the ratio of these people to total population were more profound in the rural populace. The share of people of productive age increased from 13.5 to 14.6 percent among the rural populace whereas among the urban populace from 11.9 to 12.5 percent. These levels of ratios were due to the fact that, unlike in the cities, in the rural areas the number of people of preproductive age declined (by 96,000, or 2.1 percent), as well as that of the people of production age (247,000, or three percent).

As far as the group of children of elementary-school age is concerned, in the rural areas its increment was minimal (25,000, or 1.3 percent), and, therefore, the high in the schools referred to above developed only in the cities.

3. Feminization Coefficient

Compared to 1978, the surplus of women over the number of men increased from 902,000 to 950,000; however, on the scale of the country there were still 105 women per 100 men.

In the cities, this coefficient amounted to 108 women (108 in 1978), and in the rural areas 100 (101 in 1978). The higher level of the coefficient in the cities compared to the rural areas is influenced to a considerable degree by the continuing numerical prevalence of women among the people migrating from the rural areas to the cities (for example, in 1988—114,000 men and 120,000 women). The above sex and age breakdown of migrants is responsible for the surplus of the number of women over that of men occurring in the cities for 21 years, and in the rural areas for 46 years.

The coefficient of feminization in the group of people exhibiting the greatest mobility (in 1988, people in the 25 to 34 age bracket accounted for 45.3 percent of migrants) amounted respectively to 105 in the cities and 85 in the rural areas.

Differences among the voivodships are the most pronounced in the 20 to 34 age bracket. Considering this issue separately for the cities and the rural areas, we find that a shortage of women occurred only in the cities of Katowice Voivodship where there were 96 women per 100 men. This situation is the result of, among other things, the structure of employment in this voivodship which is characterized by the high share of so-called male professions due to the mining industry which is developed in this area. The highest coefficients for this age group were registered in the cities of Zamosc Voivodship (115) and Chelm Voivodship (114).

The coefficient of feminization of people aged 20 to 34 years in rural areas was completely different. In all voivodships, it was below 100. Exceptionally low coefficients are registered in the following voivodships: Bialystok (72), Lomza (75), Ostroleka (78), and Suwalki (78). The smallest shortages of women occurred in Warsaw (97), Poznan (92), Bielsko Biala (91), and Katowice (91) Voivodships.

Unfavorable sex ratios, especially in the eastern voivodships, are primarily due to the excessive migration of young women to the cities. A low natural increment in these areas and the advancing process of the aging of the populace, which is manifested by a high share of the populace of postproductive age and a not-too-high share of the people of a younger age, are the consequences of this process.

4. Civic Status

Changes in the breakdown of the population (15 and older) by civic status are a natural consequence of changes in the age structure, as shown by the table below:

		Total ¹	Single	Married	Widowed	Divorced
		In Thousands	In Percent			
Total	1978 m	12,800	29.2	66.8	2.4	1.6
	1978 f	13,894	21.8	61.8	13.8	2.6
	1988 m	13,554	27.4	67.8	2.9	2.2
	1988 f	14,715	19.1	62.8	14.7	3.4
Cities	1978 m	7,399	28.1	67.6	2.1	2.2
	1978 f	8,307	22.8	60.5	13.1	3.6
	1988 m	8,211	25.2	69.3	2.6	2.9
	1988 f	9,271	19.8	61.9	13.7	4.6
Rural areas	1978 m	5,401	30.7	65.6	2.9	0.8
	1978 f	5,587	20.3	63.8	14.9	1
	1988 m	5,343	30.1	65.5	3.2	1.2
	1988 f	5,444	17.8	64.4	16.5	1.3

¹m—males; f—females

Compared with the data of the 1978 General National Census, in 1988 the share of single males dropped by 2.1 points and the number of single females by 2.1 points, whereas the share of other categories of the population increased. The high percentage share of widows in the total number of women, 14.7 percent (in 1978, 13.8 percent) caused by the higher death rate of men compared to that of women, is noteworthy. The decline in the shares of single males and females is the result of contingents of the demographic low, that is, those born in the 1960's, moving into adult age. Similar trends in changes have occurred in the spatial system cities-rural areas.

If we distinguish the 18-to-29-year age bracket, in the cities there were 73 single females per 100 single males (in 1978, 75), and in the rural areas, 51 single females (in 1978, 54).

Single males residing in the cities on the territories of voivodships marked by the prevalence of male professions in the structure of employment have the greatest difficulty finding a wife in Katowice (per 100 single males in the 18 to

29 age bracket there were only 57 single females of that age), Walbrzych (64), and Legnica (65). The highest coefficients were registered in the following voivodships: Torun (90), Bialystok (89), and Zamosc (89).

In rural areas throughout the country, there were 51 single females, that is, 22 single females fewer than in the cities per 100 single males aged 18 through 29.

Taking into account differences in this coefficient in individual voivodships, we should stress that it was below the national level in the rural areas of as many as 28 voivodships. The greatest shortages of single women occurred in eastern voivodships of which a high share of rural populace is characteristic: Lomza (37), Bialystok (38), Suwalki (40), and Ostroleka (42).

5. Education

In the years 1979 through 1988, further dynamic growth of the educational level of the populace occurred. Changes in the structure of population 15 years old and older are shown in the table below.

Education	Total		Cities		Rural Areas		Total	Cities	Rural Areas
	1978	1988	1978	1988	1978	1988	1978 = 100 Percent		
	In Thousands								
Total	126,694	28,269	15,706	17,481	10,988	10,788	105.9	111.3	98.2
	As Percentage of All Population Age 15 and Older								
Higher	4.5	6.5	7	9.4	1	1.8	152.9	149.7	186
Secondary ¹	19.9	24.8	27.6	31.9	8.9	13.2	132	128.9	145.8
Basic vocational	17.4	23.7	18.4	23.3	16	24.3	144	141.1	148.9
Primary ²	45.8	38.9	41	32.5	52.5	49.4	90.1	88.1	92.4
Incomplete primary or no school education	12.4	6.1	6	2.9	21.6	11.3	52.1	53.9	51.3

¹Includes postsecondary school and incomplete higher education

²Includes incomplete secondary (general and vocational) education

After 1978, the number of people with an education above the elementary level increased from 11,118,000 in 1978 to 15,484,000 in 1988. As a result of these changes, in 1988 more than half of the population 15 years of age and over (55 percent of all population, and, in 1978, 41.8 percent) had an education above the elementary level. At the same time, the number of people with an incomplete elementary education and without a school education declined considerably, by about 1,600,000 (by 52.1 percent). This is primarily due to the fact that this contingent consists mainly of people of the older generation among whom the death rate is the highest.

From the point of view of the level of education by sex, in the cities in 1988 the share of men with an education above the elementary level amounted to 69.5 percent (in

the rural areas 44.3 percent), and that of women to 60.4 percent (in the rural areas 34.4 percent).

In the cities, people with secondary vocational educations dominated among men (age 15 and over)—31.5 percent—and, among women, there were 36 percent with secondary educations.

The situation is different in the rural areas where people with elementary education are the largest group among both men and women: men—47.3 percent; women—51.5 percent.

6. Sources of Income

In the years 1979 through 1988, substantial shifts occurred in the breakdown of population by source of income.

This phenomenon is reflected in the data contained in the table below:

		Overall	Professionally Active			Professionally Inactive				Professionally Inactive per 100 Professionally Active (Item 5 Over Item 2)
			Total	Main Source of Income		Total	With a Nonwage Source Only	Dependents	Dependents per 1,000 Persons With Their Own Sources of Support (Item 7 Over the Sum of Items 2 and 6)	
		1	2	3	4	5	6	8	9	
In Thousands										
Total	1978	35,061	17,962	17,509	453	17,099	3,591	13,508	627	95
	1988	37,879	18,452	17,518	1,234	19,427	5,573	13,854	577	105
Cities	1978	20,150	9,922	9,764	158	10,228	2,655	7,573	602	103
	1988	23,175	10,703	10,294	409	12,472	3,879	8,593	589	117
Rural areas	1978	14,911	8,040	7,745	295	6,871	936	5,935	661	85
	1988	14,704	7,749	6,924	825	6,955	1,694	5,261	557	90
1978 = 100										
Total		108	102.7	98.3	272.5	113.7	155.2	102.6	92	110.5
Cities		115	107.9	105.4	258.7	121.9	146.1	113.5	97.8	113.9
Rural areas		98.6	96.4	89.4	280	101.2	181	88.6	84.3	105.9
In Percent										
Total	1978	100	51.2	49.9	1.3	48.8	10.3	38.5	x	x
	1988	100	48.7	45.4	3.3	51.3	14.7	36.6	x	x
Cities	1978	100	49.2	48.4	0.8	50.8	13.2	37.3	x	x
	1988	100	46.2	44.4	1.8	53.8	16.7	37.1	x	x
Rural areas	1978	100	53.9	51.9	2	46.1	6.3	39.8	x	x
	1988	100	52.7	47.1	5.6	47.3	11.5	35.8	x	x

The number of those maintaining themselves mainly by working dropped in absolute numbers from 17,509,000 to 17,218,000, that is, by 1.7 percent, whereas the number of those maintaining themselves mostly from a nonwage source of income increased from 4,044,000 to 6,807,000, that is, by 68.3 percent.

In 1988, people receiving retirement benefits by virtue of work (38.7 percent), disability benefits by virtue of labor related injuries (28.4 percent), and retirement benefits and annuities for surrendered farms (15.4 percent) were the largest groups of those maintaining themselves mostly from nonwage sources in 1988.

While the total number of those gainfully employed increased little, the percentage of those gainfully

employed whose main source of income was nonwage has increased substantially from 2.5 to 6.7 percent. Retirees accounted for 51.5 percent of the total of working "nonwage earners," and those receiving disability benefits for 36.7 percent.

The increment of the number of gainfully employed came to 490,000 whereas of those professionally inactive to 2,328,000 (13.6 percent). This high increment of the professionally inactive consists primarily of an increase in the number of persons who have only a nonwage source of income from 3,591,000 to 5,573,000, that is, from 21 percent to 28.7 percent of the professionally inactive. The directions of changes in the breakdown of the population by source of support are generally similar

in the cities and in the rural areas, the difference being mainly in the intensity of changes. For example, the share of people who support themselves only or mainly from a nonwage source of support increased less in the cities than in the rural areas, respectively from 22.4 percent to 29.4 percent and from 13.7 percent to 26.7 percent. This is certainly due primarily to the considerable expansion of retirement benefits and annuity entitlements for individual farmers.

7. Gainful Employment of the Populace

There is a considerable degree of mutual dependence between the structure of the population by source of income and the movement of the level of gainful employment of the people measured usually as the percentage of

those employed in the number of people potentially capable of embarking on gainful employment (age 15 and over).

The overall coefficient of gainful employment (the share of gainfully employed among the populace 15 and older) dropped from 67.3 in 1978 to 65.2 in 1988; in the cities, it dropped from 63.2 to 61.2, and in the rural areas it dropped from 73.2 to 71.8.

Changes in the level of the coefficient of gainful employment in the years 1978 through 1988 were considerably differentiated by sex and age.

The levels of the coefficient of gainful employment of men and women aged 15 and over within specific age brackets are shown in the table below:

Sex and Age	Total		Cities		Rural Areas	
	1978	1988	1978	1988	1978	1988
Gainfully Employed per 100 Persons of Given Sex and Age Bracket						
Male	76.6	74.3	73.4	66.3	81	80.4
15-17 years	7.5	3.9	4.1	2.2	12.1	6.9
18-19 years	58.3	52.6	50	41.9	70.1	67.6
20-24 years	82.7	79	78.1	70.5	89	90.3
25-29 years	96.2	94.3	95.6	92.4	97.2	96.9
30-34 years	97.1	96.1	97.1	95.7	97.2	96.9
35-39 years	96.2	95.6	96.1	95.2	96.4	96.2
40-44 years	94.8	94.1	94.2	93.4	95.7	97.2
45-64 years	84	75.2	79.1	68.4	90.1	85.7
65 and over	34.9	32.5	13.5	16.3	54.3	49.3
Female	58.7	57	54.1	53.2	65.6	63.5
15-17 years	5.2	2.4	2.4	1.2	8.9	4.3
18-19 years	43.2	41.7	35.1	32.8	54.8	54.6
20-24 years	68.4	64	65.2	58.5	73.6	72.5
25-29 years	75.1	70	76.2	69.5	73.2	70.7
30-34 years	79.5	76.7	79.4	76.3	79.7	77.4
35-39 years	81.9	83	80.5	82.1	84.3	85
40-44 years	82.7	85.5	80.4	84	86.5	89
45-59 years	70.1	67	61	59.7	82.1	79.4
40 and over	23.3	23.6	7.2	10.3	42.1	40.8

The level of these coefficients dropped considerably for almost all age groups of men in the cities and in the rural areas, especially among teenagers and young people and the people in older productive age groups. In the first case, this may be mainly associated with increases in the percentage of young people going to school, as was the case before. In the second case, greater opportunities for early retirement and the greater incidence of disabilities among older contingents of men of productive age definitely were the main factors.

The development of the system of leaves and child-care allowances in the years 1979 through 1988 created an

opportunity for the temporary withdrawal of young women (most frequently in the 25 to 34 age bracket) from work which definitely was the main reason for a decline in their professional activities. At the same time, gainful employment among women in the 35 to 49 age bracket, and in the cities in the 35 to 54 age bracket, has increased. The women came back to work after rearing small children. This is particularly obvious if the gainful employment rate of the same generation of women in 1978 and in 1988 are compared. For example, the rate of gainful employment of women who were between 25 and 29 years of age in 1978 amounted at the time to 75.1 percent, whereas 10 years later, when they were between

35 and 39 years of age, it was 83. It is noteworthy that similar changes occurred not only in the cities but also in the rural areas where leaves and child-care allowances are less common.

8. Gainful Employment Outside of Agriculture and in Agriculture

In the last decade, further shifts have occurred in the structure of the gainfully employed between those employed outside agriculture and in agriculture, as shown by the table below:

			Outside of Agriculture			In Agriculture			
		Overall	Total	Sector		Total	Sector		Share of Those Gainfully Employed in Agriculture
				Socialized	Nonsocialized		Socialized	Nonsocialized	
Total (in thousands)	1978	17,962	12,663	12,207	456	5,299	1,017	4,282	29.5
	1988	18,452	13,449	12,297	1,152	5,003	935	4,068	27.1
	1978 = 100	102.7	106.2	100.7	252.6	94.4	91.9	95	x
Cities (in thousands)	1978	9,922	9,394	9,055	339	528	270	258	5.3
	1988	10,703	10,048	9,156	892	655	288	367	6.1
	1978 = 100	107.9	107	101.1	262.9	124	106.5	142.3	x
Rural areas (in thousands)	1978	8,040	3,269	3,152	117	4,771	747	4,024	59.3
	1988	7,749	3,401	3,141	260	4,348	647	3,701	56.1
	1978 = 100	96.4	104.1	99.7	222.6	91.1	86.6	92	x

The direction of changes was the same as in the previous period between censuses (1970-78); however, the rate of changes was considerably slower. The number of the gainfully employed outside agriculture increased by 6.2 percent and those gainfully employed in agriculture declined by 5.6 percent (in the previous eight-year period, it was respectively an increase of 20.3 percent and a decline of 17.5 percent). As a result of these shifts, the share of those gainfully employed in agriculture dropped from 29.5 percent in 1978 to 27.1 percent in 1988 (in 1970, it amounted to 37.9 percent).

The number of the gainfully employed outside agriculture and working in the socialized sector increased minimally, whereas in the private sector it increased by a factor of more than 2.5 to the level of 1,152,000. Despite this increase, the private sector outside agriculture employed in 1988 only 8.6 percent of the entire number of gainfully employed outside agriculture, whereas in 1978—3.6 percent. In agriculture, the decline proceeded somewhat faster in the socialized sector than in the individual sector.

People employed simultaneously in and outside agriculture were an appreciable group among all those gainfully employed. Before 1970, the strength of this group increased very rapidly. Between 1970 and 1978, it remained basically unchanged whereas in the decade in question it increased from 1,146,000 to 1,418,000. In 1988, one resident of individual farms 15 years or older

in five had a nonwage source of support (mainly a retirement benefit or annuity).

9. The Handicapped

The population of the handicapped was distinguished in a manner similar to the previous census by a question on legal disability or the fact of belonging to a proper disability category assigned by the Commission for the Issues of Disability and Employment, as well as by a question on biological disability interpreted as a complete or considerable restriction of the opportunity to perform basic life functions associated with the corresponding age.

In 1988, 3,735,000 handicapped individuals were found in the country, which amounted to 9.9 percent of the population. This means that one resident of Poland in 10 was handicapped, whereas in 1978 one in 14.

The number of the handicapped increased in 10 years by 1,250,000 (50.3 percent) in the course of which the number of persons recognized to be legally handicapped increased by 1,329,000 (68.5 percent), and the number of only biologically handicapped dropped by 79,000 (14.2 percent).

The status and changes in the number of the handicapped are shown by the data contained in the table below:

				Legally Handicapped				
		Total	Per 1,000 Persons	Overall	By Disability Category			Biologically Handicapped Only
					I	II	III	
		In Thou- sands		In Thousands				
Total	1978	2,485	71	1,929	306	869	754	556
	1988	3,735	99	3,258	542	1,370	1,346	477
	1978 = 100	150.3	x	168.9	177.5	157.7	178.4	85.8
Cities	1978	1,546	77	1,287	222	577	488	259
	1988	2,278	98	2,016	359	855	802	262
	1978 = 100	147.4	x	156.7	162	148.1	164.2	101
Rural areas	1978	939	63	642	84	292	266	297
	1988	1,457	99	1,242	183	515	544	215
	1978 = 100	155.2	x	193.6	218.4	176.8	204.2	72.4

The high relative growth of the incidence of disability in the rural areas (by 55.2 percent) was a characteristic feature of that decade; most importantly, it occurred only in the group of the legally disabled (93.6 percent). Meanwhile, a decline in the strength of the group of only biologically disabled was registered (by 27.6 percent). The development of the incidence of disability in the rural areas was particularly strong among women. The number of women who had the status of legally disabled increased by as much as 138.4 percent.

Relatively speaking, the growth of the overall number of the disabled was lower in the cities (47.4 percent), and the number of the legally disabled also increased to a lesser degree (56.7 percent). In turn, the group of only biologically disabled increased minimally (by 1 percent), unlike the rural areas.

The high growth of the number of the legally disabled and differences in its rate among urban and rural populace are, among other things, consequences of the introduction of more liberal regulations on granting the disability status, especially category 3, and giving individual farmers and members of their families the right to use social security. This widened the scope of people seeking disability benefits which should be preceded by the legal recognition of disability.

As a result, the incidence of disability per 1,000 rural residents increased from 63 to 99 disabled and exceeded

the level of the incidence of this phenomenon in the cities, where the coefficient analyzed changed during this period of time from 77 to 98.

The sources of income for the disabled are a separate issue. In 1988, an overwhelming majority of the disabled, 90.5 percent, had a nonwage source of income (disability benefit, retirement benefit, family annuity, and so on). Work was the only source of income for 5.9 percent of them, and only 3.6 percent of them were maintained only by their families.

One in four handicapped who had a nonwage source of income worked at the same time.

The total number of the disabled who were gainfully employed amounted to 975,000 (26.1 percent of the total number of the disabled); in 1978, it was 545,000 (21.9 percent). For obvious reason, the disabled of category 3 (50.2 percent of the handicapped who were gainfully employed) and individuals of category 2 dominated in this group.

10. Households and Families

According to the principles accepted for censuses, a household consists of a group of people who live together and have common housekeeping.

General data on the households and populace in the households are as follows:

	Households			Population in Households			Average Number of Persons per Household	
	1978	1988	1978 = 100	1978	1988	1978 = 100	1978	1988
	In Thousands			In Thousands				
Total	10,948	11,970	109.3	34,095	37,114	108.9	3.11	3.10
Cities	6,790	7,864	115.8	19,328	22,518	116.5	2.85	2.86
Rural	4,158	4,106	98.8	14,767	14,596	98.8	3.55	3.55
Including those with the user of an individual farm	2,354	2,434	103.4	9,122	9,285	101.8	3.88	3.82

By the end of 1988, 11,970,000 households existed in Poland to which 98 percent of the population of the country belonged. In the years 1979 through 1988, the number of households increased by 1,022,000, or by 9.3 percent, and the entire increment of this group occurred in the cities and amounted to 1,074,000 (15.8 percent).

Rural households had a greater average number of persons (3.55 persons) than households in the cities (2.86). Among rural household, households including a user of an individual farm were the most numerous (3.82).

In the overall group of households, multiperson households prevailed—9,783,000 (81.7 percent of all households).

The share of this type of household was considerably higher in the rural areas—85.5 percent (in the cities 79.7 percent). Households with two and four members dominated among multiperson households both in the cities and in the rural areas. Their shares were respectively 23.5 and 23.2 percent of the entirety of households in the cities and somewhat lower in the rural areas, 20 percent and 19.8 percent. The phenomena of creating households with family members belonging to two or more generations was more than two times as frequent in rural areas.

The number of one-person households in the country came to 2,188,000 (18.3 percent), and it increased by 284,000 (14.9 percent) since 1978. They merit particular attention primarily due to the age and sex structure of the persons in households of this type. Throughout the country 51.8 percent of the total number of one-person households consisted of people who were at least 60 years old, and almost 42 percent of these households consisted of women who were 60 or older. Since 1978, the number of households in this group has increased by 232,000 (25.9 percent).

Family households accounted for more than 80 percent of all multiperson households in the country. Households consisting of one family prevailed in this group accounting for 93.6 percent of all family households (in 1978—95.3 percent). The share of two-family households amounted to 6.2 percent (in 1978—4.6 percent), whereas the share of households consisting of three or more families was only 0.2 percent (in 1978—0.1 percent).

By the end of 1988, the number of families in the country came to 20,226,000 out of which 62.2 live in the cities. In the course of the decade, this group increased by 907,000 which consisted of an increase in the number of families in the cities by 918,000 (by 16.9 percent) and a decline in their number in the rural areas by 11,000 (by 0.3 percent).

The average number of people in a family was as follows:

	Total		Cities		Rural Areas	
	1978	1988	1978	1988	1978	1988
Average size of family	3.31	3.28	3.16	3.17	3.51	3.46

The rural family was larger than the urban family, as in the previous census, which was due to the still considerably higher fertility of rural women. (The fertility coefficient of women determined by the number of live births per 1,000 women between 15 and 49 years of age for the years 1979 through 1988 amounted to 63 for women in the cities and 91 in the rural areas).

Four types of families: married couples without children, married couples with children, mothers with children, and fathers with children were distinguished on the basis of the principles adopted for the census.

Data in the table below show the status, growth rates, and structure of families by type:

Rubric	1988		1978	1988
	In Thousands	1978 = 100	In Percent	
Total	10,226	109.7	100	100
Families without children	2,329	111.8	22.3	22.8
Families with children	6,323	105.6	64.3	61.8
Mothers with children	1,396	126	11.9	13.7
Fathers with children	178	128	1.5	1.7
Cities	6,364	116.9	100	100
Families without children	1,418	120.1	21.7	22.3
Families with children	3,874	112.2	63.4	60.9
Mothers with children	958	131.8	13.3	15
Fathers with children	114	133.9	1.6	1.8
Rural areas	3,862	99.7	100	100
Families without children	911	101	23.3	23.6
Families with children	2,449	96.6	65.5	63.4
Mothers with children	438	115	9.8	11.3
Fathers with children	64	118.7	1.4	1.7

The number of dependent children differed greatly depending on the type of family. In the country as a whole, 42.9 percent of married couples had two dependent children, 36.6 percent had one child, and 20.4 percent had three children or more. Fewer children were maintained by single-parent families. Almost 64 percent of such families had one dependent child, and fewer than nine percent had three or more children.

As many as 30.1 percent of married couples had at least three dependent children, and almost as many, 31.5 percent, had two dependent children.

HOUSING STOCK AND HOUSING CONDITIONS

1. Status and Development of the Housing Stock

The occupied housing stock of the country indicated in the 1988 General National Census included 10.7 million apartments with the useful floor space of 633.1 million square meters and 36.3 million rooms. This stock housed

permanently 37.1 million people. The census registered a total of 0.7 million people, or 0.2 percent of the total population, outside apartments, i.e., on temporary premises, in mobile units, and collective-residence facilities (i.e., factory dormitories, boarding schools, orphanages, social security homes, convents, etc.).

The number of registered apartments which were not inhabited was 370,000, out of which apartments scheduled for tearing down accounted for 41,000, i.e., 11 percent.

Per 1,000 of the population, there were 283 apartments in Poland, whereas in Bulgaria in the same year this statistic stood at 370, in Hungary at 374, in Czechoslovakia at 376, in Austria at 431, in Denmark and the FRG at 450, in France at 456, and in Switzerland at 480.

The inhabited housing stock and population in the apartments broken down by the cities and rural areas were as follows:

	Apartments	Rooms	Useful Floor Space of Apartments (in Square Meters)	Population in Apartments
	In Thousands			
Total	10,716.8	36,286.6	633,107.2	37,129.1
Cities	7,039.8	23,142.4	378,455.1	22,531.9
Rural areas	3,677	13,144.2	254,652.1	14,597.2

Almost two-thirds of the inhabited apartments are in the cities, and somewhat more than one-third are located in the administrative territory of villages. The ratios of housing stock in the cities and in the rural areas

expressed in terms of the number of rooms and square meters of useful floor space of apartments indicate a somewhat lower surplus of the housing stock located in the cities over that situated in the rural areas.

The rate of growth of the inhabited housing stock in 1979 through 1988 exceeded that of the growth of the populace in apartments on all indicators studied, i.e., apartments, rooms, and useful floor space. This regularity is observed

both in the cities and in the rural areas. The useful floor space of apartments increased the most, followed by the number of rooms, and then by the number of apartments. The corresponding statistics are as follows:

	Increment in the Years 1979-88			1978 = 100		
	Total	Cities	Rural Areas	Total	Cities	Rural Areas
	In Thousands					
Apartments	1,390.7	1,259	131.7	114.9	121.8	103.7
Rooms	6,911	5,406.1	1,504.9	123.5	130.5	112.9
Useful floor space (in square meters)	130,457.8	93,197.8	37,260	126	132.7	117.1
Population occupying apartments	3,018.3	3,029.6	11.3	108.8	115.5	99.1

Between 1979 and 1988, the rural areas accounted for a somewhat greater share of the overall increment of the housing stock compared to the previous period between censuses. This was the most pronounced with regard to the number of apartments in which the share of the increment grew from 7 to 9.5 percent, and to the useful floor space of apartments in which the respective share grew from 26.4 percent to 26 percent.

The average annual increment of apartments in the years 1979 through 1988 amounted to 139,100, and was lower than in the 1971 through 1978 period when it amounted to 155,600. However, the average annual increment of

useful floor space was higher; in the last decade it amounted to 13 million square meters whereas in the previous period it was 11.6 million square meters.

A considerable segment of the housing stock of the country is located in large cities. Fourteen percent of the apartments in the country and 21 percent of the apartments in stock of all cities are located in the five largest cities: Warsaw, Krakow, Lodz, Poznan, and Wroclaw.

The share of the housing stock of large cities and the largest cities and their growth rates are shown by the table below:

	Share of Cities With 200,000 or More Inhabitants (in Percent)					
	Of National Totals		Of Totals for All Cities		1978 = 100	
	Apartments	Population in Apartments	Apartments	Population in Apartments	Apartments	Population in Apartments
Cities with 200,000 or more inhabitants	25.8	22.3	39.2	36.7	129.1	120.5
Of which:						
500,000 or more	14	11.7	21.3	19.2	114.5	106.7
200,000-499,999	11.8	10.6	18	17.5	152.1	140.5

During the last decade the rule was that the rate of growth of useful floor space in apartments in both cities and rural areas exceeded the rate of growth of the rooms, and the rate of growth of rooms exceeded the rate of growth of apartments. As a result, the average number of rooms per apartment in our country increased from 3.15 in 1978 to 3.39 in 1988, and the useful floor space increased from 53.9 to 59.1 square meters. Apartments in the cities continue to be smaller than in the rural areas. The average number of rooms per apartment increased in the cities from 3.7 to 3.29, whereas in the rural areas it increased from 3.28 to 3.57.

The average useful floor space of apartments in cities increased from 49.3 square meters to 53.8 square meters, and in rural areas from 61.3 square meters to 69.3 square meters.

2. Quality of the Housing Stock

Most of the housing stock was erected in the postwar period. Apartments in buildings built since 1944 amount to 69.5 percent of the entire stock. Compared to the 1978 census, their share increased by 11.6 percent. This was the result of, on the one hand, performance of housing construction, and on the other hand, natural losses and

demolition, especially of the old stock. Postwar stocks amount to 72.2 percent of all apartments in the cities and 64.5 percent in the rural areas. Apartments in buildings erected before 1918 still account for 13.9 percent of all apartments in the cities and 13.8 percent in the rural areas.

The newest buildings, that is, those built in the last decade, account for 21 percent of all apartments in the cities and 14.2 percent in the rural areas.

The census data indicate that rural stocks are older than those in the cities. This is also confirmed by the approximate calculation of the average age of apartments which show it to be about 36 years for the rural areas and about 30 years for the cities.

An overwhelming majority of the housing stock is located in buildings with walls made of noncombustible materials. They account for 91 percent of all apartments. Compared to the 1978 census, this share increased by 5.2 percent. In the cities, apartments in such buildings account for 97 percent of all apartments whereas in the rural areas for 79.4 percent.

Apartments in buildings with the walls made of combustible materials are more common in the villages than in the cities. Their share is greater, both in the cities and the rural areas, in older stock, that is, stock built before 1945 and in the years 1945 through 1960. For buildings

erected before 1945, the share of apartments in combustible buildings amounted to 7.7 percent in the cities and 28.6 percent in the villages, whereas in the buildings erected between 1945 and 1960 the share amounted to 5.4 percent in the cities and as much as 39.4 percent in the rural areas. In the stocks built in the last decade, the percentage in question dropped to the level of 0.3 percent in the cities and 3.9 percent in the rural areas.

A substantial improvement in the provision of amenities in apartments also occurred in the last decade. The degree of improvement is considerably greater in the rural areas compared to the cities. The increment of apartments with amenities is higher than the increment of the number of apartments in general which indicates that the improvement was due not only to commissioning new apartments but also, as is very obvious, especially in the rural areas, the modernization of housing built in earlier periods. However, rural apartments continue to have positively fewer amenities than those in the cities, despite very favorable changes in the equipment of the former.

Running water is the amenity which is the most common in apartments and, to a lesser degree, a toilet, a bathroom, running hot water, and central heating. Piped gas is the hardest to find, as it is available in one apartment in two.

The situation with amenities and changes in this situation in the years 1979 through 1988 are shown in the table which follows:

		Total	Of Which Apartments With					
			Running Water	Toilet	Bathroom	Running Hot Water	Central Heating	Piped Gas
In Thousands								
Cities	1978	5,780.9	5,024.7	4,199	3,938.7	3,681.2	3,278.7	3,427.5
	1988	9,039.8	6,678.9	5,976.4	5,797.6	5,641.2	5,123.4	4,994.2
Rural areas	1978	3,545.3	1,261.9	730.1	849.7	825.5	595.7	51.9
	1988	3,677	2,346	1,687	1,865.3	1,826.1	1,456	203.9
Percent of Total								
Cities	1978	100	86.9	72.6	68.1	63.7	56.7	59.3
	1988	100	94.9	84.9	82.4	80.1	72.8	70.9
Rural areas	1978	100	35.6	20.6	24	23.3	16.8	1.5
	1988	100	63.8	45.9	50.7	49.7	39.6	5.5
1978=100								
Cities		121.8	132.9	142.3	147.2	155.2	156.3	145.7
Rural areas		103.7	185.9	231.1	219.5	221.2	244.4	393

Taking a comprehensive view of the availability of amenities in apartments, the results of the census indicate that in the last decade a marked improvement in the degree of availability of a set of amenities also occurred. A set of basic amenities, that is, running

water, toilet, bathroom, central heating, and gas are found in one apartment in two, whereas in 1978 it was in one apartment in three. Still, 15.8 percent of all apartments do not have running water, and 12.9 percent have no amenities.

The degree of availability of amenities is considerably higher in the cities than in the rural areas. The structure of

apartments in terms of the availability of amenities is as follows:

	Total		Cities		Rural Areas	
	1978	1988	1978	1988	1978	1988
	As Percentage of All Apartments					
Total	100	100	100	100	100	100
Of which:						
With running water, toilet, and bathroom	49.4	69	67.7	81.4	20	45.1
With central heating and gas	33.5	50.3	50.2	66.3	6.7	19.6
With running water (without toilet and bathroom)	14.5	12.7	14.3	10	15	17.9
Without running water	32.6	15.8	12.8	5.1	64.2	36.2
Without any amenities	27	12.9	9.3	3.6	55.2	30.7

3. Form of Ownership of the Housing Stock

In the cities, 36.7 percent of the apartments belong to housing cooperatives, 27.7 percent belong to the organs of state administration. One-tenth of the stock belongs to the category of "other socialized units," and 23.6 percent belong to private individuals.

In the rural areas, most of the housing stock, i.e. 81.6 percent of all apartments, belongs to private persons. Socialized units other than housing cooperatives and the local organs of state administration account for a considerable share, 14.3 percent of all apartments, among the rest of the apartment owners.

Compared to the 1978 census, the structure of housing stock by the form of ownership has changed considerably in the cities and little in the rural areas. In the cities, the share of stock belonging to the housing cooperatives increased by 9.5 percent with a simultaneous decline of 5.1 percent in the share of apartments of the local organ of state power, and a decline of 5.2 percent in the share of private apartments. This situation is a consequence of preferences for the cooperative construction of multi-family dwellings dating back to the 1960's; the extent and amount of preferences for other kinds and forms of construction has been restricted. In the rural areas, only a small decline (by 1.9 percent) of the share of private stock was registered, with the stock belonging to the category of socialized units growing.

Apartments in the cities and the rural areas belonging to particular owners differ greatly in the age of housing. This is shown in the table below:

	Apartments in the Cities					Apartments in the Rural Areas			
	Total in Thousands	Of Which in Buildings Belonging to				Total in Thousands	Of Which in Buildings Belonging to		
		Local Organs of State Administration	Housing Cooperatives	Other Socialized Units	Private Owners		Local Organs of State Administration	Other Socialized Units	Private Owners
		Percentages in Individual Forms of Ownership					Percentages in Individual Forms of Ownership		
Total	7,039.8	100	100	100	100	3,677	100	100	100
In buildings built:									
Before 1945	1,960.3	48.4	0.9	22.6	48.1	1,305.6	73.8	37.8	33.7
1945-1960	778.8	20.3	1.5	12.3	14.5	721.3	9	11.7	21.6
1961-1970	1,301.3	20	21.1	17.2	13.2	608	8	14.1	17.4
1971-1978	1,520.1	8.3	37.4	23.3	11.9	520	5.2	17.7	13.8
1979-1988	1,479.3	3	39.1	24.6	12.3	522.1	4	18.7	13.5

4. Size and Population of Apartments

The higher rate of growth of the number of rooms and useful floor space, compared to the growth of the number of apartments in the last decade, is the result of commissioning larger apartments in the period in question. At the same time, demolition and other losses in the housing inventory, as well as the connection of apartments, occurred mostly in small apartments. As a result of these processes, the structure of the housing stock changed favorably both in terms of the number of rooms and the useful floor space. The share of small apartments with one or two rooms in the total number of apartments dropped from 31 percent to 23.6 percent, whereas the

share of larger apartments consisting of four, five and more rooms increased by 34.2 to 41.6 percent. The share of apartments with three rooms, which amounted to 34.8 percent, remained unchanged.

Apartments with four or more rooms are more common in the rural areas than in the cities which is associated with the prevalence of single-family housing in the rural areas. The share of these apartments in the overall stock amounted to 39 percent in the cities and 46.6 percent in the rural areas.

Changes in the structure of apartments by the number of rooms are presented in the table below:

		Apartments With the Following Number of Rooms					Average Number of Rooms per Apartment
		1	2	3	4	5 or More	
Total	1978	6.8	24.2	34.8	22.9	11.3	3.15
	1988	4.3	19.3	34.8	27.1	14.5	3.39
Cities	1978	7.9	24	36.6	22.1	9.4	3.07
	1988	5	19.2	36.7	27.1	11.9	3.29
Rural areas	1978	4.9	24.7	32.1	24	14.3	3.28
	1988	2.7	19.6	31.1	27.1	19.5	3.57

The increase in the number of rooms in apartments by 0.24 in the country on the average (by 0.22 in the cities and by 0.29 in rural areas) was accompanied by an increase in the useful floor space of apartments amounting to 5.2 square meters on the average (4.5 square meters in the cities and 6.9 square meters in the rural areas).

The average useful space of one apartment amounted to 51.9 square meters in 1988. Apartments in the cities are on the average 15.5 square meters smaller than in the rural areas (in 1978, 12 square meters smaller). The average size of apartments in the cities amounted to 53.8 square meters in the cities and 69.3 square meters in the rural areas.

Almost one-third of the apartments in rural areas have floor space of over 80 square meters (in 1978, one-fourth). In the cities, apartments that large account for only 12 percent (in 1978, 10 percent). It should be noted that the highest rate of growth amounting to about 150 percent occurred in this group.

The reverse of this ratio occurred in the case of apartments with a floor space of under 40 square meters. They accounted for 29 percent in the cities (in 1978, 37 percent), and the populace residing in them accounted for 31 percent. In the rural areas, small apartments amounted to 16 percent (in 1978, 22 percent), and the populace residing in them to 11 percent.

Disproportions in the size of the apartments between the cities and the rural areas are justified if population is

taken into account. Rural apartments have more inhabitants than urban apartments. On the average, there are 3.20 persons per one apartment in the cities and 3.97 persons per one apartment in the rural areas.

If the population of apartments is to be measured by the number of persons per one room, the situation is also favorable for the cities where this indicator amounts to 0.97 people, whereas for the rural areas it comes to 1.11 people.

In the last decade, a drop in the density of apartments occurred. The average number of people per one apartment dropped by 0.20 persons and per one room by 0.15 persons. The degree of reduction in density was almost the same in the cities and the rural areas.

The extent of improvements in the population of apartments fluctuated between 0.18 and 0.03 persons per room in the cities and between 0.22 and 0.03 persons per room in the rural areas.

The improvement of living conditions from the point of view of population of apartments is more apparent when the structure of population by the degree of density in apartments is considered. A comparison of the respective data in the two censuses indicates that the number of people residing in apartments which are considered to be overcrowded under our conditions, that is, with two or more people per room, dropped by 2,168,000 (which amounted to 26.1 percent of the amount of people in this group in 1978), whereas the number of people residing in low-density apartments, that is, under one person per

room, increased by 3,327,000 (which amounted to 56.3 percent of the populace in this group in 1978).

This unquestionable improvement should not obscure the fact that 6,137,000 people, that is, 16.5 percent of the entire population, live in apartments which we consider to be overcrowded. In the cities, 12.4 percent of the

population live in overcrowded apartments (in 1978, 18.5 percent) whereas in the rural areas this percentage was almost twice as high and amounted to 22.9 percent (in 1978, 32 percent).

Changes in the structure in the populace by the number of people per room are presented in the table below:

		Population in Apartments With the Following Number of Persons per Room (Percent of Total)						Average Number of Persons per Room
		Under 1	1	1.01-1.49	1.50-1.99	2-2.99	3 or More	
Total	1978	17.3	21.9	18.8	17.7	17.7	6.6	1.16
	1988	24.9	24.1	19.5	15	12.7	3.8	1.02
Cities	1978	19.1	26.4	20	16	14.1	4.4	1.10
	1988	27.1	28.1	19.8	12.6	9.7	2.7	0.97
Rural areas	1978	15	16	17.1	19.9	22.5	9.5	1.25
	1988	21.4	17.8	19	18.9	17.3	5.6	1.11

The results of the census also describe apartments in terms of number of persons per room. The results indicate that Poland is far behind the more economically developed European countries in which, according to modern housing standards, every person in the apartment has his own room at his disposal. In our country, only 28.3 percent of the population in the cities and 23 percent of the population of villages lived in apartments with this standard of density.

More than 40 percent of the populace of the country lived in apartments with a density of two or more persons per room—in the cities, 36.9 percent of the population, and, in the rural areas, 52.4 percent of the population. This group includes 11.8 percent of the

population in the cities and 24.3 percent of the rural population living in apartments which had three or more persons per room. In the surveys of living conditions, such density is considered to qualify for substandard conditions, regardless of the technical standard of the apartments.

The number of people residing in apartments that crowded amounted in 1988 to 6,205,000, out of which 2,659,000 were in the cities and 3,546,000 were in the rural areas. This group included 1,137,000 families with children, out of which 331,000 families had many children.

The structure of population in terms of the number of persons per room in 1988 is shown in the table below:

		Population in Apartments With the Following Number of Persons per Room (Percent of Total)						Average Number of Persons per Room
		Under 1	1	1.01-1.49	1.50-1.99	2-2.99	3 or More	
Total		8.5	16.7	14.3	17.5	26.3	16.7	1.43
Cities		9	19.4	16.1	18.6	25.1	11.8	1.35
Rural areas		7.9	12.4	11.4	15.9	28.1	24.3	1.57

The data on the population of the premises and rooms presented above suggest a perceptible differentiation in living conditions between the cities and the rural areas in disfavor of the rural population. Such differentiation is reduced, or even disappears if the useful floor space of the apartment per one person is considered. In the cities, this indicator amounted to 15.8 square meters, and in the rural areas it was even a little higher and amounted to 17.4 square meters.

More than 22 percent of the population of the country (21.1 percent in the cities and 24.2 percent in the rural areas) lived in apartments in which less than 10 square meters of useful floor space was available per person.

Almost one quarter of the entire population (23.1 percent in the cities and 26.9 percent in the rural areas) occupied spacious apartments in which more than 20 square meters was available per person. About one-third of the total populace (33.4 percent in the cities and 28.8 percent in the rural areas) lived in apartments in which the average amount of useful floor space, i.e., 10.1 to 15 square meters, was available per person.

5. Independent Residence by Households and Families

The shortage of an adequate number of apartments comparable to the number of households is the main problem of the housing situation of the population of

Poland. In 1988, almost one-fifth of the total number of 11,570,000 households occupied apartments which were

not independent. This situation is reflected in the table below:

	Households Residing				
	Total in Thousands	Independently	Overall	Jointly	
				Of Which in Apartments Occupied by	
				Two Households	Three or More Households
In Thousands					
Total	11,967	9,616.6	2,350.4	1,941	409.4
Cities	7,862.7	6,328.7	1,534	1,234.2	299.8
Rural areas	4,104.3	3,287.9	816.4	706.8	109.6
Percent of Total					
Total	100	80.4	19.6	16.2	3.4
Cities	100	80.5	19.5	15.7	3.8
Rural areas	100	80.1	19.9	17.2	2.7

The lack of an opportunity to occupy an independent apartment affects equally households in the cities and in the rural areas; the worst cases, that is, residence in apartments with three or more families, are more common in the cities than in the rural areas.

A comparison with the results of the previous census indicates that the number of households occupying apartments together with others which in 1988 amounted to 2,350,000 was reduced compared to 1978, when it was 2,951,000, but is still a little higher than in 1970, when it amounted to 2,329,000. This means that in the course of 18 years between the years 1970 and 1988 the unfavorable phenomenon of occupying apartments jointly has not diminished.

Unlike countries at a higher level of economic development, in which a household and a family may be equated with each other, in Poland there are a large number of households consisting of two or more families. (Footnote: According to census definitions, the notion of family means a married couple without children or with children and one of the parents with children. In this sense, a family includes only two generations.) In 1988, 590,000 two-family households and 22,000 households with three or more families existed. In many cases, the occurrence of such households was not

the result of an independent decision by the interested parties but rather the lack of apartments which made it impossible for young families to live separately from their parents. Out of the 10,225,000 families in our country, 7,348,000, i.e., 71.9 percent, lived independently, that is, without other families and other households. In the cities, 77 percent of the families were in that situation, and in the rural areas, 63.5 percent. To a considerable degree, the more common joint residence of families in the rural areas may be the result of a choice by these families due to operating a farm jointly.

Apart from households which contained families, in 1988 2,380,000 "nonfamily" households existed, consisting of 2,188,000 single-person households and 192,000 households with more than one person. A sum of families and nonfamily households compared to the number of apartments makes it possible to determine the potential need for independent apartments.

The situation of these families and households from the point of view of the independent occupancy of apartments is presented below (assuming with regard to families that the families which live in single-family households and which occupy an apartment without other households live independently).

	Families and Nonfamily Households				
	Total	Occupied			
		Independently		Jointly	
	In Thousands	Percent of Total		In Thousands	Percent of Total
Total	12,602.4	9,032.4	71.7	3,570	28.3
Cities	8,096	6,115.1	75.5	1,980.9	24.5
Rural areas	4,506.4	2,917.3	64.7	1,589.1	35.3

The above data indicate that the situation from the point of view of the independent occupancy of apartments, so defined, is worse than corresponding data on the households would suggest.

The surplus of the number of households over the number of apartments denoted the so-called statistical shortage of apartments. In 1988, it amounted to 1,253,000, out of which 824,000 were in the cities and

429,000 were in the rural areas. This means a decline compared to 1978, when it equaled 1,622,000, and the attainment of a level approximating that registered in 1970, 1,295,000.

The data presented above also make it possible to calculate the potential deficit of apartments which in 1988 amounted to 1,889,000, out of which 1,058,000 were in the cities and 831,000 were in the rural areas. A comparison of this deficit with a similarity calculated deficit for 1978, which amounted to 2,070,000, also indicates a decline in the deficit of apartments, but a considerably smaller one than in the statistical deficit of apartments.

The deficit so calculated describes the maximum shortage of apartments. In the case of the rural areas, it is somewhat inflated for the reasons which were discussed above. However, in the case of cities it is more in line with the actual magnitude of this phenomenon than the one calculated by methods used previously.

It should be mentioned that in all of these calculations the quality of our apartments and their size, which in many cases deviate from contemporary norms, are not taken into account.

Materials of the 1988 General National Census make it possible to examine the living conditions comprehensively from the point of view of population density and

amenities in the apartments, also taking into account the issues of independent occupancy of apartments. This makes it possible to evaluate the housing situation more completely than could be the case if various aspects of the situation were considered separately.

In making such an evaluation, the following criteria involving the housing conditions of the populace were adopted:

Very good—occupancy of apartments which have at least running water, a flush toilet, a bathroom, central heating and gas, and are populated by less than one person per room.

Good—occupancy of apartments which have at least running water, a flush toilet, a bathroom, and are populated by one person per room at a maximum.

Adequate—occupancy of apartments which have at least running water and a flush toilet, and are populated by no more than 1.01 to 1.99 persons per room.

Poor—occupancy of apartments populated by 2 to 2.99 persons per room and/or equipped only with running water.

Very poor—occupancy of apartments populated by three or more persons per room and/or not even equipped with running water.

A comprehensive evaluation of the living conditions of the populace in 1988 was as follows:

		Living Conditions of the Populace								
	Total Popula- tion of Apart- ments	Very Good	Good	Satisfac- tory	Poor	Very Bad				
							Due to			
						Total	Overcrowding and Lack of Running Water	Over- crowding Only	Lack of Running Water Only	
							Total	Of Which House- holds Residing Jointly		
In Thousands										
Total	37,129	1,865	5,467	10,269	10,042	9,486	2,352	530	3,853	3,281
Cities	22,532	1,473	4,123	7,565	6,128	3,243	405	95	2,254	584
Rural areas	14,597	392	1,344	2,704	3,914	6,243	1,947	435	1,599	2,697
Percent of Total										
Total	100	5	14.7	27.7	27	25.6	6.3	1.4	10.4	8.9
Cities	100	6.5	18.3	33.6	27.2	14.4	1.8	0.4	10	2.6
Rural areas	100	2.7	9.2	18.5	26.8	42.8	13.3	3	11	18.5

In light of the above data, the housing situation of the population of Poland may be evaluated as very difficult. In 1988, fewer than 7.5 million people, or only about 20 percent of the population of apartments, lived in environments meeting contemporary housing standards, i.e. defined in the table as very good and good.

Almost 9.5 million people, i.e. more than one quarter of the total, lived in "very poor" conditions caused by the occupancy of the apartments by three or more persons per room and/or deprivation of even running water. Out of these, more than 2.4 million occupied apartments which were at the same time extremely overcrowded and lacked amenities. Such conditions should be defined as housing poverty.

The condition of the 530,000 persons who occupied apartments which were extremely overcrowded, lacked even running water, and in addition were not used independently, should be referred to as extreme poverty.

Comparing the situation of the population of the cities and rural areas we should state that it is markedly worse in the rural areas than in the cities, despite a relatively large improvement occurring in the rural areas in the last decade, especially with regard to the availability of technical and plumbing installations in the apartments.

[signed] Deputy Chief Commissioner of the Census, Director of the GUS Department of Censuses and Mass Surveys, Doctor Engineer Leslaw Zalewski

The full text of the communique will be published in Issue 5 of WIADOMOSCI STATYSTYCZNE.

PM Visit Hoped To Spur Final Joint-Venture Agreement

90EP0590A Oslo AFTENPOSTEN in Norwegian
1 Jun 90 p 21

[Article by Kai Ove Evensen: "Kvaerner Eager for Results From Syse's Polish Trip"—first paragraph is AFTENPOSTEN introduction]

[Text] Kvaerner executives are drumming their fingers impatiently on the Polish negotiating table right now. The Norwegians are hoping Prime Minister Jan P. Syse will save the day when he visits the Gdynia shipyard on Wednesday. Erik Tonseth and Company are wondering if Syse can wring an answer from the Poles.

The negotiations with the big Gdynia shipyard have reached their conclusion. The only thing left is the reply from the authorities. All the licenses are in order and the cooperation agreement has been signed, but the final answer from the authorities has taken refuge in a port that is not accessible at the moment. The Poles are reluctant to reach a decision. After all, this is big business and what is decided in the Kvaerner/Gdynia agreement will serve as a model for other projects involving cooperation with western companies. Therefore the Polish authorities are edging into the water with great caution.

Press people are met with silence and searching glances from the Kvaerner management when they ask if the negotiations between Kvaerner and the Gdynia shipyard, Komuna Paryskiej, have run aground.

"No comment," is the reply we get from the directors. For their part the Poles are afraid of the inclement weather this agreement could generate.

One of Biggest in East Europe

The cooperation that the Norwegian industrial firm is planning to enter into with the Polish shipyard is definitely the biggest joint venture in Polish history. In fact the Kvaerner/Gdynia cooperation is one of East Europe's biggest cooperative agreements with a western company. The shipyard has 6,500 employees and plentiful orders as far ahead as 1992. No one at Kvaerner will say anything about how big the investment will be. But it has leaked out that the agreement has a total price tag of almost 300 million kroner. The Norwegian share adds up to around 110 million kroner, divided between 80 million kroner in new stock capital and 30 million kroner in operating loans. Kvaerner has been negotiating with the Komuna Paryskiej shipyard on cooperation for a year and a half.

Very Important Agreement

Behind the facade of the "no comment" answer they are already pulling strings and whispering in people's ears. Even so, there are rough currents in the apparently calm waters. Last week a representative of the Norwegian authorities was in Poland to discuss the matter. The parties are still in touch with each other but the Kvaerner management says at least four points in the agreement can be compared with drinking salt water. The Poles are demanding that revenues from businesses in Poland be exchanged with local currency—the zloty. Unacceptable for Kvaerner. The zloty is worth little more than the paper it is printed on in a western country. Kvaerner does not want to risk incurring losses on old contracts either. Poland must therefore guarantee contracts that have already been entered into. In addition the lease price the authorities have set on the property and buildings at the shipyard is too stiff. Finally, the concern has asked the World Bank for guarantees that all the millions to be invested by Kvaerner will not disappear in the event of a political reaction. The question is whether the Polish authorities can swallow this. Kvaerner does not want to toast the final agreement with salt water.

YUGOSLAVIA

Growth of Small Private Enterprises in Serbia

90BA0136B Belgrade POLITIKA in Serbo-Croatian
20 May 90 p 12

[Article by Jelica Stojanovic: "Tracking the News: The Private Owners Are Coming; A Thousand Firms in 30 Days; Between 1 January and 18 May, 4,132 Private Enterprises Were Registered in Belgrade: By the End of the Year Approximately 130,000 People Will Be

Working for Private Companies in the Capital City; The Banks Still Do Not Trust Them; The Biggest Problems: The Lack of Business Premises, Complicated Book-keeping, and Undefined Taxes"]

[Text] According to data from the Circuit Economic Court in Belgrade, 4,132 private enterprises have been registered as of 18 May. Around one month earlier, on 10 April, to be precise, there were 2,956 private enterprises registered. Three days ago, there was a total of 7,798 subjects registered in the capital, economic and noneconomic, or all social, private enterprises, institutions, and faculties—thus, all those who by their very nature must "register" with the Court. It is not difficult to conclude that there are more private companies.

Interest in forming private enterprises is not abating, notes Mirjana Trninic, a judge with the Circuit Economic Court. On the average, around a hundred subjects are submitted to her each day, and around a thousand companies are registered each month. If this pace continues, Judge Trninic estimates that by the end of the year Belgrade will have 12,000 to 13,000 private enterprises. According to Court data, scarcely 100 of the enterprises are mixed, although the owners of these others often request information on the process of changing status if foreigners are also included in the business.

Largest Trade

Otherwise, up to 90 percent of the cases are dominated by the founding of enterprises for wholesale and retail trade and for providing intellectual services. As a rule, all the companies are also registered for import-export. It is interesting, adds Mirjana Trninic, that there are very few enterprises for direct production.

Such "concrete" activity also requires more money. Duka Samardzic, secretary of the Association of Small Businesses of the Belgrade Economic Chamber, emphasizes that one needs scarcely 150,000 dinars in order to establish a private enterprise for the most basic things—typewriter, telephone, telex, chairs, tables. That is "plenty" to start out with.

A survey recently conducted by the Association of Small Businesses (sent to 600 addresses of the directors of private enterprises mailed so as to arrive at the "personnel files" of their companies) confirmed that nearly all of them are oriented towards trade. In addition, preliminary data have shown that the "leading people" of the company have a college education. However, the most interesting thing is that on the average private companies employ around 10 people, emphasizes Samardzic.

If the Court's prognosis comes true and if private owners continue to employ an average of 10 workers, then between 120,000 and 130,000 people will "earn their daily bread" in small and midsize enterprises by the end of the year.

Radisa Stojkovic, the director of "Eliteks," an enterprise for production and wholesale and retail trade, currently employs 30 workers. By the end of December, he will

employ 20 more, and next year 50. "In a collective with a hundred employees, a person can have control and good organization and can raise efficiency to a high level in order to operate at low costs and realize a large profit," says Stojkovic. Like the majority of owners of private enterprises (as shown in analyses by the Association of Small Businesses), the "top man" of "Eliteks" came to his new job after leaving an independent trade, and before that a social enterprise.

Only One Bankruptcy

Stojkovic says that his earnings are invested in further development. The employees are building a department store to sell textiles, leather goods, and shoes, and they are planning to open a plant in Dragacevo. Stojkovic says that the philosophy of this company is contained in the word "WORK." He does not demand of his employees that they "slave away" at their machines, but a "normal functioning" of the line is implicitly assumed. He earns from 3,500 to 8,000 dinars, but the salary of salesmen depends on the revenues.

Still, regardless of the rosy indications concerning the flourishing of thousands of private enterprises, the life of these companies is not without its thorns. Most of all, reminds Samardzic, is the "pinch" of inadequate business premises. Furthermore, they think that book-keeping in small and midsize enterprises should be simplified. Like their colleagues from the social sector, they are concerned about the undefined tax policy, and they are also dissatisfied with banking standards. This is because financial institutions previously extended a helping hand to social enterprises, and cannot or will not go along with dynamic private owners.

For now, the private owners are holding their own. In the words of Slobodan Ciric, the president of the Bankruptcy Council of the Circuit Economic Court, the SDK [Public Auditing Service] has been asked to undertake bankruptcy proceedings against only one private enterprise. It remains to be seen whether the company will disappear. If it becomes solvent by the summons date, the proceedings are suspended.

"This year, 1.3 million people could be employed in Yugoslavia in small and midsize enterprises and 3.7 million in the 2,000 range. This would represent a growth in the ownership of worker ID cards of 18.1 percent during the current year and a jump of 47.5 percent at the end of the century." These daring and optimistic prognoses are provided by Ratimir Z. Milanovic in his study, "Small Businesses in the World and in the SFR Yugoslavia" [Mala privreda u svetu i SFR Jugoslaviju].

"The reforms initiated in our country are not a matter of choice and commitment. They are forced by the profound crisis and by the pressure exerted by the popular masses for a change of conditions. They demand a radical turnaround and a break with previous norms and other patterns of development," says Milanovic, adding that even the most obstinate people have become aware of the power of small businesses as an essential factor in overcoming the crisis.

INTRABLOC AFFAIRS

Deputy Minister of Education on Language of College Entrance Exams

90CH0160A Bucharest ROMANIAI MAGYAR SZO
in Hungarian 18 May 90 p 1

[Interview with Deputy Minister of Education Dr. Paul Cornea by Andras M. Peter; place and date not given: "Everyone Can Take the College Entrance Exam in His Own Language"—first paragraph is ROMANIAI MAGYAR SZO introduction]

[Text] Recently we went to ask Dr. Paul Cornea, university professor and deputy minister of education in charge of matters pertaining to higher education, to tell us about the new requirements and measures governing college entrance exams.

[Cornea] Presently there is a lot of spirited work going on in our colleges and universities. Not since the beginning of the school year have we seen such intense concentration on learning and teaching; everyone, teacher and student alike, is working to prepare himself for the approaching year-end exam period to the best of his abilities. Students enrolled in classes originally thought to graduate this year now have a choice: They can either complete and defend their course-end theses, or, as many have chosen to do, they can enroll for a fifth year. As for the students of the remaining classes, they have been given the opportunity to take their examinations in open sessions. In most cases they have taken advantage of this opportunity. According to the information we have received, recent class attendance figures have been up compared with those recorded in January and February. Several college and university faculties have drastically changed their curricula, adding new and in many cases parallel subjects and courses to them, thus making their instructional programs more interesting as well as more effective. Of course, in the meantime we also need to think about the future. This is why we have begun, for example, to set up new faculties and departments in many of our college and university centers. In the large university centers we have augmented certain faculties with new departments that have proven to be indispensable. In some cities, we have established entire new college and university faculties, naturally on the basis of detailed preliminary assessments of local potentials, and of guarantees offered by thorough expert studies concerning the quality of the educational-instructional work to take place at the institutions to be established at these new locations.

[Peter] What are some of the new regulations we can look forward to having in place regarding the so called postcollege and university graduation "repartitions," i.e., the transfer and placement of graduates?

[Cornea] We have recently made public a nearly finalized draft of the law on transfers and placement. We are currently in the process of summing up and studying the

comments and recommendations we have received concerning the draft, so that after taking all of them into account we can put the draft document in a final form to be submitted for enactment. In any case, according to all indications, the basic principle of the draft has met everyone's general approval. According to the principle, the state will offer a job to all graduates of our higher educational institutions, but it will be up to each individual graduate to decide whether or not to accept the position offered.

[Peter] The closing of a school year already bears within it the many problems and tasks connected with preparing for the new school year. What is in store for high school graduates preparing for their college and university entrance exams?

[Cornea] We are making every effort to ensure that the new entrance exams are less traumatic for the applicants than past exams have been. We have taken a whole series of measures to this end. Most importantly of all, future entrance exams to all institutions of higher learning will be organized on the basis of test questions worked out by the local examination board. In other words, there will no longer be nationally mandated test questions. This is expected to generate a more genuine sense of involvement and responsibility on the part of the teachers administering the test. In addition, several of our higher educational institutions have been working on, and are planning to introduce new entrance examination formats that will place the emphasis not so much on the memorization and mechanical recitation of material, as on the basic abilities of the candidates. We hope that as a result our entrance exams will be more flexible, and in terms of their atmosphere less regimented than they were under the old system. Appeals and contested decisions will be judged not by the examining and testing teachers, but by teachers and bodies specially selected for that purpose.

[Peter] Are there any universally applicable regulations regarding the language in which the entrance examinations have to be taken?

[Cornea] I would like to take this opportunity to once again assure our national minority candidates that they have the option of taking their entrance exams in their mother tongues or in the language of their secondary school studies. This, incidentally, is an older regulation which henceforth will be more closely respected.

[Peter] Mister Minister, is this a nationally binding principle and rule, or is it perhaps also something to be left up to the discretion of the respective institutions of higher learning?

[Cornea] No, this is a nationally binding principle and rule. If, for example, a student applicant has completed his secondary school studies in Hungarian, he has the right to take the entrance exam in Hungarian, his mother tongue.

[Peter] Does this have to be specially requested on the form to be submitted at the time of signing up to take the entrance exam?

[Cornea] Naturally, since understandably in such cases steps need to be taken to ensure that the examining board is made up of teachers who have the appropriate language background, that they are properly qualified, and that they are provided transportation to the testing location if necessary.

[Peter] Have you determined, or generally speaking, are there any registration quotas for the various faculties?

[Cornea] We have not finished discussing the question of registration quotas; we are still in the process of studying the issue, doing so within the broader context of Romanian education, comparing it with the education policies of other countries. At the same time we realize, in view of the changes that are currently taking place in our country, that we also need to be mindful of the prospects that have been opened up before Romanian education. In other words, we try to be as circumspect and as forward-looking as possible, working toward our complete European integration. It is impossible to keep our system of higher education at the same feebly developed state where it had been kept during the time of the dictatorship. It is a sad fact that currently Romania ranks as one of the European countries with the lowest number of college students per 100,000 inhabitants. In other words, there is not only a possibility, but also a need to expand our university network. From which it also naturally follows that in many specialty fields the registration quotas will be higher than they had been in previous years. [end interview]

Concluding Notes to Above Conversation

The reporter feels honor bound to inform the readers that the condition on which the subject of this interview had agreed to take part in the conversation was that he would not be asked "uncomfortable" questions which he could not answer, or which he was not authorized to comment on. These would have included questions pertaining to the establishment of the Bolyai University.... The reporter had understood the deputy minister's predicament, and accepting the conditions, agreed to proceed with the conversation printed above in a slightly abbreviated form.

HUNGARY

Minister of Culture on Education Reform, Religion, Press

25000736F Budapest MAI NAP in Hungarian
17 May 90 p 5

[Interview with Minister of Culture Bertalan Andrasfalvy by Peter Kurucz; place and date not given: "European Public Education on an Asiatic Scale: Freely Along the Pattern of the Tiger Cubs"—first paragraph is MAI NAP introduction]

[Text] The new minister of culture, Bertalan Andrasfalvy, is 59 years old. He holds a degree in ethnography-museology. He received his doctorate in 1961, and became a candidate [for the doctoral degree] in historical sciences in 1971. He leaves a chair at Pecs University in exchange for the velvet chair. The name of his ministry: Ministry of Culture and Public Education. Even though there were rumors that religion and public education would be removed from the ministry.

[Kurucz] Why did this not take place?

[Andrasfalvy] State functions related to religion are under the ministry's jurisdiction, provided that such functions involve the fields of culture and education. The essence of the freedom of religion is that religion is not subordinate to administrative governmental institutions.

[Kurucz] What kind of role will public education play in the workings of the ministry?

[Andrasfalvy] I am hopeful that this will be a central theme of the government. After all, reforming our public education is necessary from both an economic and a moral standpoint, and in the interest of our survival. We make frequent reference to the Asian tiger cubs who may thank their development to investing most into education. This kind of investment would be the most efficient capital in Hungary, in terms of money, energy, and moral capital. Our talented young will leave the country unless we provide appropriate conditions for learning. If the earlier trend continues we will have an aged, dumb country which collapses by itself.

[Kurucz] How should the school system be changed, in your view.

[Andrasfalvy] The minimum age limit for mandatory enrollment in school should be increased. Grade schools require a significant change. Our skilled worker training is also very bad, it is backward, not only in regard to general knowledge, but also with respect to preparatory professional training. Renewal of this [system] is also important because 70 percent of Hungarian youth go to specialized intermediate schools or receive skilled worker training.

Replacing the thus far strict curriculum, we must establish a school system with fewer restrictions and with a greater opportunity for choice. This also means the return of parochial gymnasiums. Minimum requirements must be established at the same time to be fulfilled by students in various subjects. But the emphasis must also be shifted in regard to basic knowledge. Beyond the most needed basic knowledge, students should enrich themselves spiritually, they should have the feeling of success, and they should be able to freely develop their talent. We would like to see young students feel a craving for joint creation already during their initial school years. This could serve as an engine to cope with greater tasks in the future.

[Kurucz] These days the forced commercialization of culture is a key issue.

[Andrasfalvy] It is difficult to discuss this issue. I do not regard the emergence of private schools as commercialization, for instance. I regard it only as the satisfaction of a natural need when I see as many new schools as possible to fulfill as high expectations as possible. One matter is certain: The acquisition of culture and education must not yield to the rules of the marketplace. Certain branches will always require assistance from society as a whole, they will not be able to sustain themselves. In the upcoming years the need for subsidies will be even greater. After all it is easy to sustain cultural institutions in places where people have reserves, but here families have constant problems in making ends meet from their monthly income. We cannot count on [financial support] from them.

[Kurucz] The oft-mentioned populist-urbanite debate affects primarily your ministry.

[Andrasfalvy] If we consider the kinds of values we may receive from traditions and from our being European we will find that these two concepts are not opposites. And then this superficial debate loses sense. I am not certain whether public education may be shored up during the tenure of the government, but this populist-urbanite debate will by all means fade away.

[Kurucz] And finally a current issue: Istvan Csurka believes that the parties should be represented in the press according to the proportions in which they are represented in Parliament. Do you share this view?

[Andrasfalvy] You cannot simplify this issue in this way. It turned out that during the elections a majority of the media manifested their sympathy with one or another political trend. A nonpartisan press, removed from the political struggle, is the ideal situation. Csurka made reference to the fact that huge changes are taking place everywhere, in the ministries and in local government. In principle it would be conceivable to also see a change in the press. Based on the judgment of the public. And as long as the public is not mature enough to judge, we must help the manifestations of minority views.

Kosary New Chairman of Academy of Sciences

25000739B Budapest NEPSZABADSAG in Hungarian
25 May 90 p 1

[Article by D. Gy.: "A Responsible Scientific Body With Initiative—Domokos Kosary Is Chairman of the Academy"]

[Excerpts] Following a more tumultuous than expected debate "glaring with subjectivity" (Gyorgy Szabad accepting the charge of denunciation burst out against

the nomination of his fellow academician—followed by total silence and by Ivan Berend's elegant riposte serving as an answer) [passage omitted], three chairman and three executive secretary candidates were placed on the ballot at a working session of the Hungarian Academy of Sciences [MTA] general meeting on Thursday. [passage omitted]

After the clashing of swords which visibly stunned most academicians the results of the vote were publicly announced [passage omitted]: chairman (for the first time)—Domokos Kosary; executive secretary (again)—academician Istvan Lang. The chairman [passage omitted] was moved when he expressed his thanks for the confidence manifested by his fellow academicians, and stressed that we must all recognize the importance of simultaneously preserving and renewing values, and the need for tireless progression with the development of science.

Prime Minister Jozsef Antall arrived at the general meeting during debate that ensued after the (former) chairman's and the executive secretary's reports.

"It is of particular joy to me that with the chairmanship of professor Kosary, the person heading the Academy, has become the symbol of renewal as a result of his political and human conduct, and the imprisonment he suffered."

In his further remarks the prime minister reminded those present that as a result of the peculiar features of our history, the Hungarian Academy has played a more important role in society than any other academy in the world. This significance will not decline in the future. The Academy, and along with the Academy universities and other places of research, are faced with the tasks of making brave initiatives, of making recommendations, and if needed, of criticizing the functioning of the government, while recognizing the responsibility that is involved in all of this. This is how the Academy can provide the greatest help to the new state leadership which is endeavoring to lift the carriage of the country out of the mud without having practice—as "amateurs" if you will—but filled with good intentions.

In a quiet moment of the general meeting, Domokos Kosary responded to our question pressing the issue of the role of science just before the millennium: "At last the path has been opened to the Academy, to science in general, and to the freedom and independence of knowledge. If we take advantage of this opportunity and handle it cautiously, with great care, the melancholic image of the future envisioned by many may be exchanged for a more optimistic one. After all there is far more energy, talent, and creativity in people—including the people of science—freed from unnecessary tensions and linkages than most people would believe these days."

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14 Aug. 1990